

# A RECONSTRUCTION LABOR POLICY

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## BOOK REVIEWS

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## Privileged Comment

### THE EDITOR REVIEWS THE ELEMENTS IN A RECONSTRUCTION LABOR POLICY

AFTER July 18, 1918, the tide of war was turning and it seemed entirely proper in October for the editor of a labor volume of *THE ANNALS* to direct attention to those far reaching changes in our industrial life sure to follow a peace not indefinitely remote. No suggestion of pro-Germanism or weakening of morale could from then on attend a discussion of the problems of labor demobilization, labor placement, or labor standards which would affect the lives and productivity of workers in the post-war period. *In time of war prepare for peace* seemed a sensible dictum. Little risk was involved in the decision to focus attention on post-war rather than war labor problems. Events determined and have since justified that decision. Before this volume comes from press, certain parts of a reconstruction labor policy will surely be in effect. Thus does editorial prevision become historical reflection.

By November 1, 1918, it is accurate to say that no definitive and inclusive labor policy had been adopted in the United States for all workers employed in distinctly war industries. In England, reconstruction problems had long been under discussion by writers and special governmental agencies. A far-reaching program had been developed. When this volume appears, perhaps more than in November, the United States may need a comprehensive labor policy.

The real task of the editor proved to lie not in the decision to raise for discussion post-war labor problems, but in the selection of a name for the volume. It came into being under controls far more complex than those comprised in the Mendelian formula. It has grown in spite of adversity.

Whether the United States is facing a reconstruction or readjustment period is a question about which those who speak with authority do not agree. The new industrial creed enunciated by Mr. Rockefeller (p. 167), the labor program urged by Mr. Gompers (p. 182), and the British Labor Party platform (p. 187), show some-

thing of contrast. If an examination of this entire volume is a fair index of the changes ahead—and certainly the greatest effort was made to avoid selection of topics or contributors which would emphasize a single viewpoint—little evidence is found of the desire to cut deep into the institution of private property or make other such fundamental changes as have been urged by British writers.<sup>1</sup> Perhaps Mr. McAdoo was not far wrong in his reported statement that “readjustment” rather than “reconstruction” describes the changes necessary in the post-war period. The word reconstruction, however, has current usage; whether the changes we are facing will become revolutionary is unpredictable.

The use of the expression “a labor policy” in the title of this volume, rather than such a phrase as “labor policies in reconstruction,” perhaps indicates an editorial wish instead of the likely trend of events. President Wilson, before leaving the country to give his personal attention to the larger problems of international politics, made the following significant statement:

So far as our domestic affairs are concerned, the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out to be for the nations which have suffered the disarrangements and the losses of war longer than we.

Our people, moreover, do not want to be coached and led. They know their own business, are quick and resourceful at every readjustment, definite in purpose and self-reliant in action.

Any leading strings we might seek to put them in would speedily become hopelessly tangled because they would pay no attention to them and go their own way.

All that we can do as their legislative and executive servants is to mediate the process of change here, there, and elsewhere, as we may.

I have heard much counsel as to the plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of “reconstruction” emerge which I thought it likely we could force our spirited business men and self-reliant laborers to accept with due pliancy and obedience.<sup>2</sup>

That this position has met with approval is shown by such editorials as the one entitled “No Patent Remedies Are Needed to Adjust Labor,” from which the following excerpt is taken:

President Wilson seems to see a little more clearly than some other observers, for he told Congress on Monday that the working of natural forces was likely in many cases to bring about readjustment of the country to normal conditions faster than any plans for it could be made in Washington. While he was not speaking particularly of the labor situation,

<sup>1</sup> See for example: J. A. Hobson, “Democracy After the War,” S. G. Hobson, “National Guilds” and G. D. H. Cole, “Self-Government in Industry.”

<sup>2</sup> From President Wilson’s address to Congress, December 2.

there are known facts sufficient to justify the belief that there is likely to be immeasurably less friction in the reabsorption of the soldiers into industrial life and the employment of the war workers in peaceful industry than the alarmists have anticipated.<sup>3</sup>

A difference of opinion over demobilization is clearly indicated by Dr. Walter E. Weyl. "Planless Demobilization" is the title of the article from which the following excerpts are taken:

Here in America we are trusting to luck. We have been lucky before and see no reason why we should not be lucky again. In 1865 our demobilization took place planlessly and painlessly. Of course we are not as young as we were then, not as elastic or resilient, and we are far more industrialized. Still we have an easier task than has England or Italy and in any case there is a special Providence looking after our interests. Even if we wished to demobilize scientifically we should not have the necessary information.

Here is a very incomplete list of some of these things that we do not know:

(1) We do not know how many war workers there are. We do not know whether there are three millions or four millions or five millions or six millions.

(2) We do not know what facilities we have for bringing our overseas army home. We do not know whether we can physically do this job in four months, six months, eight months or twelve months.

(3) We do not know what positions are or will be available for the men who will be discharged.

(4) We do not know how many extra men the railroads can absorb either in operation or in new construction. We do not know whether they can absorb one hundred thousand or two hundred thousand or three or four or five or ten hundred thousand men. We do not know how many extra men can be absorbed by the building trades, by the textile industries, by shipbuilding.

(5) We do not know how many men and women in these and other industries will voluntarily give up their present positions or will be displaced or can be displaced. We do not know how many men and women are employed in these industries. We know nothing about the extent of the dilution of labor.

(6) We do not know anything concerning the immediate future of American industry. We know next to nothing about the home demand for its products. We know still less about the foreign demand. We do not know to what extent the foreign demand for raw products, if it exists, can be financed. We do not know to what extent the recuperation of American industry will be limited by the supply of raw materials, by the reduction of shipping, by the impoverishment of Europe.

To sum up the situation we are running new risks simply because we have not studied the problem or realized that there was a problem. We are like the statesman who believed that an army could be created over night by a million men springing to arms. He thought of mobilization as an adventitious gathering of a million freemen, each with his fowling piece. We are still thinking of demobilization in loose terms. But demobilization is a highly technical process; military demobilization means industrial mobilization. It is

<sup>3</sup> Since this editorial the same paper has been featuring stories of the inability of a few discharged soldiers to find employment in this same community where natural forces would bring readjustment to normal conditions faster than any plans could be made in Washington.



primarily a civil or industrial, not a military task; it is a scientific task, requiring order, discipline and synchronization, and above all, forethought.<sup>4</sup>

If the tenor of the papers in this volume is again significant, it would seem that the editorial wish for a reconstruction labor policy is shared in rather generally by the contributors—men who have viewed our reconstruction labor problems from the closer range of personal experience.

During the war it is safe to say that we modified the concept of individual pecuniary gain and the idea that money would buy goods somehow, somewhere. We realized, perhaps imperfectly, that the war had to be financed from the current national income. We were<sup>1</sup> interested in determining "on what the productivity of the productive factors depends." We divided the less essential from the more essential businesses for regulatory purposes. The slogans, "business as usual," and "buy a bond and pass it on," were discarded, along with our reliance upon the slow-going adjustments under an unregulated law of supply and demand. All this and much more occurred under war pressure. "We thought and acted as a nation instead of a million sightless autonomous units."

The "post-war mind" must, of course, be considered in reckoning on the probability of establishing a comprehensive national labor policy. Human instincts involved in man's behavior are stimulated very differently by peace and war conditions. "A reconstruction labor policy" will cause less of a thrill than did marching troops or "win the war." Especially is this so when most of us have acquired the habit of individualistic activity; we "do not want to be coached and led." However, with mobilization of our industrial life a national achievement, it does seem that the release of man power for post-war industry and the placement of labor, if not the standards for replaced labor, offer a problem truly national, requiring more than readjustments under the old opposition of interests partly repressed by the calling forth of a war feeling. It does seem that far-reaching national prevision and provision are required, and that there should be at least the fullest utilization of existing machinery to avoid a period when men *may* "hunger, worry, suffer, go to pieces." It does seem that national readjustments should not be left mainly to

<sup>4</sup> *The New Republic*, November 30, 1918. Pp. 125-127.

individual or group interest,—or disinterest. The wish for a comprehensive reconstruction policy regarding labor takes on all the fervor of a political prayer.

Assuming no overthrow of the institution of private property, or other such fundamental changes as have been suggested in certain quarters,—assuming that a readjustment rather than a reconstruction labor policy is the problem we are facing, we can group the elements of such a policy under three main heads, corresponding roughly with the order in which our labor problems will arise. Man and woman power will be released from war activities for post-war industry. The problem of the transition period then becomes that of labor placement and labor assimilation. Labor standards for replaced labor constitute a third and continuing group of questions far more important than the passing changes accompanying a return to peace conditions in industry. The papers in this volume are arranged in the order just indicated. But before reviewing the elements in a reconstruction labor policy it may not be amiss to note one point,—elaborate machinery, such as England boasts of, may not be an indispensable part of the formulation or execution of a national labor policy. "Made in America" is likely to evoke a more favorable response, although the British plans may suggest methods for us which should not be passed over thoughtlessly.

In some quarters it was feared that the demobilization of our troops might be carried on in some mathematical, mechanical way which regarded the convenience of the army rather than the needs of industry, the occupational qualification of the soldier, geographic diffusion, or domestic obligations. The first paper of this volume (p. 1) contains a discussion of army demobilization which should come to some better end than a pigeon-hole in a War Department desk.

Release of man power for post-war industry calls to mind not only the mustering out of soldiers but the release of industrial leaders from government service (p. 13). This process carries with it an interest commensurate with the conspicuous position held by these men and the possibility of their great influence when they return to their peace occupations. That the release of industrial leaders is significant for business and labor adjustments is a manifest proposition, but will they go back to business pur-

suits with a new national viewpoint regarding production and a desire to coöperate in establishing such interrelationship of government and business as is necessary for the public weal under even a peace régime?

Even though "we know nothing about the extent of the dilution of labor," it would be most helpful for the formulation of a reconstruction labor policy to have a clear cut statement as to the position of both labor unions and employers regarding the retention of unskilled workers substituted for skilled labor, women drawn into men's work, and children recruited for industry under war pressure and a favorable decision of the Supreme Court. Repeated efforts were made to ascertain the attitude of responsible labor union officials and employers regarding possible displacement of women, unskilled workers and children who were drawn into the industrial ranks as a war measure. Such information would make surer any steps necessary to prevent a serious condition of maladjustment both in the release of man power for post-war industry and industrial placement.

It would be helpful also—if a comprehensive government policy were likely to be formulated regarding post-war readjustments in industry—to have clearly set forth the policies of government corporations in releasing labor. The government cannot fairly expect norms radically different from those it adopts in the case of its own employes to be acted upon generally by business men in the conduct of their private enterprises. Formal statements were not available.

Industrial placement suggests a query regarding existing agencies to connect the man and the job. The organization of the United States Employment Service and its war achievements are indicated in the first paper in part two of this volume (p. 19). In spite of limitations and shortcomings incident to rapid growth, and in spite of current criticisms, we may still give ear to the plans already developed for the greater usefulness of the service during the post-war period. The service is national in its scope; the immediate problem of industrial placement is national in extent; we may reasonably expect effective adjustment of the United States Employment Service to this sudden problem of placing demobilized man power.

The lessons of the war in shifting labor from place to place or



occupation to occupation should have a very real significance in working out the problem of industrial placement during the post-war period. Mistakes made in gathering together large groups of men in one locality without due regard for housing and local transportation facilities, mistakes made in recruiting workers without assembling materials needed, stand out in the memory of those of us living in the war industries sections of the Atlantic seaboard. Shifting workers from one end of the country to the other only to be sent back the next week was not conducive to labor efficiency. Recruiting labor as if a commodity—no questions asked so long as five to ten men appeared for each job at a given time and place—but aggravated both labor shortage and labor unrest. These and other mistakes of shifting labor are still fresh in our minds. Now that we are facing the problem of demobilizing the army and war industries—a problem of industrial mobilization which includes inevitable shifts of labor—we are entitled to competent counsel. It is the opinion of the Director General of the United States Employment Service (p. 28), that oldtime methods of recruiting labor by private employment agents, under methods which regard labor as a mere commodity, will unquestionably aggravate conditions of unemployment. While labor should not be put in leading strings, we may have full regard for the opinion that “mouth to mouth” information regarding labor requirements in various regions and industries will be inadequate and misleading, contributing in large degree to the already serious problem of floating labor. The attitude that the individual, unaided, is competent to find and choose his own job will often result in unemployment and misery. It seems reasonable, also, that commercial agencies and state employment organizations, unaided, are as likely to prove inadequate in shifting and placing labor during the post-war period as they were alleged to be under pressure of war necessity. The need for coördinated activity of all possible agencies the country over is a real need if the war has any lessons for us regarding the shifting and placement of labor. An adequate and effective national clearance service, based on community surveys of labor requirements and the coördinated activity of existing employment agencies, may not have a paternalistic compulsory feature, but it should go far toward preventing improper labor distribution, excessive turnover, floating labor,

unemployment, unrest, misery. Recruiting, shifting, clearing labor, no matter how extensive the machinery for labor placement, will result in maladjustment, however, unless one error is guarded against, that of recruiting men unfitted for the work they wish to do. Here lies the importance of trade tests and a uniform classification of jobs already available for the use of labor-placing agencies.

The use of army tests in rating general intelligence and trade skill (p. 38) has been one of the notable innovations of the war. Reliance on these tests in the army for bringing man and job together and equalizing units for development purposes, suggests the possibility of the extension of psychologic tests for the scientific placement of labor in post-war industry. The selection of men for particular jobs could very easily be made more effective if one basis for selection generally adopted in industry were a rating on general intelligence and technical skill. Moreover the shifting of employes from department to department, the picking of individuals for further training, and the reduction of costly labor turnover are among the possibilities suggested by Dr. Ruml, who has first hand experience with the operation of army selective tests. His warnings regarding their use by employment managers are not the least important part of his contribution. Some psychologists, to be sure, are still doubtful regarding the efficacy of group tests as compared with individual tests. The devising of satisfactory psychological tests for many purposes is still in the experimental stage. The development of this work, however, gives promise of a large increase in the effectiveness of employes, if indeed it does not mark the beginning of a new period in vocational and educational guidance. No reconstruction labor policy will be well considered if it does not include the extension of selective tests to labor placement in peace time.

That war pressure has given emphasis to personnel problems in industry (p. 47) requires no extended demonstration. Broad gauged organization and supervision of labor alone will prevent labor adjustments from becoming the very storm center of a possible clash between radicals and reactionaries. Employers have chafed under wage increases accompanied by no marked increase in labor efficiency. Certain limited groups of employes, especially in war industries, may have secured a surplus over

and above a basic living standard through a monopoly power conferred by their ability to do damage to industry,—if only through withholding their labor unless demands were met. Cost plus contracts did tend to retard wage increases which were not necessarily connected with productive efficiency. Employers, smarting under increased wages unaccompanied by increases in production, are not likely to make labor readjustments easy if they adhere to an “obstructive philosophy.” Those labor leaders who adhere to a “destructive philosophy” likewise can prevent the readjustments necessary in the coming days. Upon personnel departments or employment managers will devolve in no small measure the work of placing men in industry and avoiding labor disturbances over wages and labor standards.

One of the parts of a reconstruction labor policy that is receiving more than ordinary attention at this time is the establishment of buffer employment during the reconstruction period. Mr. Mallery, who has long been working on this problem of buffer employment, has set forth his project (p. 56), to utilize public works in the stabilizing of employment. He occupies, moreover, a position which gives him opportunity to demonstrate more fully the importance of this part of a reconstruction labor policy.

Placing soldiers in farm colonies (p. 62) is a plan which has received not only the attention of the Secretary of the Interior, but has been accorded full comment in the President's last message to Congress. Just what that plan is will be far more intelligible after reading the exposition of it in this volume by its sponsor.

One hesitates to take the rôle of critic when he finds that parts of a reconstruction labor policy are actually in process of development and execution. The placement of soldiers mustered from army service may very well be expedited through the use of public works for buffer employment and the development of farm colony projects. The placement of war workers in general may be greatly furthered through the activity of the United States Employment Service.

Housing and local transportation facilities in relation to labor placement aroused more than usual interest during the war. A long time view of this same problem (p. 51) really raises for consideration one of the labor standards discussed in the third section of this volume.

The problem of industrial placement is sure to be affected by whatever immigration standards we may adopt for the post-war period. However "liberal" one may be, or however "internationally minded," he is likely to be conscious of conservative feeling and national sentiment in considering the possible effect of immigration upon an American standard of living. Labor placement in this country may not be complicated by the "dumping" of crippled and unfit workers; a problem, however, exists in maintaining immigration standards for able-bodied workers. But it is unnecessary here to redevelop the thesis set forth (p. 73) in the article on "Immigration Standards after the War."

"Seven Points for a Reconstruction Labor Policy" (p. 80) is the title the editor made free to prefix to an article summing up the views of a writer whose first-hand experience with the problems of labor standards during the war give him ground for indicating certain fundamental propositions regarding standards for replaced labor.

With the influx of women into industry, one aspect of a reconstruction labor policy most certainly has to do with labor standards for women. The classic report of the British Health of Munition Workers' Committee included a noteworthy section treating of conditions under which women should work. The standards set up by the Woman in Industry Service of the United States Department of Labor (p. 87) are deserving of equally close study for the determination of a federal labor policy during our post-war period. With one-fourth of the workers of the United States women, a "condition and not a theory confronts us." It may shock us to realize that the economic function of women as controllers of consumption is now but part of the story; women have come into our man-made industry as co-workers if not competitors. Changes in economic doctrines and business organization are the inevitable concomitants of that fact. Full hearing is needed for the woman's point of view when she is sure to play a doubly important part in our economic life.

The short run problem of women in industry is that of "diluted labor." A view urged by a writer whose position alone would give her hearing is that "the right of the returned soldier to his job is not a labor policy upon which to build a program for women in industry." She contends that the reconstruction needs of in-

dustry will require the utilization of all available man and woman power. What view will obtain with employers and labor unions regarding diluted labor is, however, not yet clear and the immediate problem merges in the long run question regarding the jobs which should be reserved exclusively for women workers. A clear cut program regarding woman's work in industry would go far toward making diluted labor adjustments easier.

One point is fairly clear, however, about diluted labor. Those who assumed that women factory employes will shift *en masse* to domestic service, are overlooking some human instincts that have been stimulated by war conditions. The long hours, isolation, and self abasement attached to domestic employment will have small appeal compared with freedom after a standard workday, group feeling in the factory and the fuller play of the self-assertive tendency in human nature which has been made possible by industrial employment. Psychic income may be received directly from employment as well as indirectly through goods purchased with even high money wages from domestic service. A considerable number of housewives will have a continuing interest in electric washers and vacuum cleaners. And what applies to domestic service may apply in some degree to a giving over of industrial employment to return precipitately to the former occupation of matrimony. The detached observer may count on the age-long sex instinct, but it will be surprising indeed if some curious compromises are not effected.

Women are in industry in larger numbers than ever before—many of them to stay, at least long enough each generation to constitute a problem. To the old three-fold division of labor—geographic, occupational, and division of tasks within an occupation—it has been suggested that a fourth be added,—sex division of labor. Advocates of such specialization assure us that this new division of labor will not be based on the formulae “woman's place is in the home” and the “inherent difference of woman's mind”; whether women should do the same work as men is a question predicated on physiologic differences. Women have been doing an undreamed-of number of men's jobs, with perhaps slight modification of machinery and working conditions. This new work was undertaken because of war pressure, and it is perhaps doubtful whether it has been carried on long enough even



by the women of England to determine the long run physiologic effects. The close connection between woman's physical make-up and the nature of her work was so clear that proper safeguards were devised for her employment in many instances, if indeed she was not altogether excluded from particular jobs. It has been urged that perhaps a sex division of labor should be worked out which would throw open to women in general the light, replaceable jobs. This theory assumes that women should not undertake work beyond their physical strength, nor should they usually be looked upon as a first source of labor when the work desired would require the uninterrupted activity of a highly trained and specialized worker. In 1910, 6,150,569 women gainfully employed in the United States were between sixteen and forty-four—child-bearing years. Under such division of labor, women would be co-workers with rather than competitors of men. The general adoption of such a policy would bring about a new set of non-competing labor groups, and after a time it would be as unpopular for the much talked-of "he man" to run elevators, sell ribbons, or occupy one of the light replaceable jobs as to carry knitting implements in a street car. Such a change, of course, is dependent upon the development of public opinion rather than the establishing of elaborate government machinery. Men would have their own bailiwick; they would do the heavy work in industry and hold those positions of the less replaceable kind.

The sex division of labor here sketched is of course likely to be accorded first place in an unpopular review, especially by those women who certainly have the training and qualities for executive work, and who look forward to a career without the field of matrimony.

That there are physiologic differences between men and women sufficient to warrant the non-entrance of the latter into particular occupations is an undisputed fact. No group more keenly appreciates this fact than do women themselves nor does any other group place a higher premium upon the health of women as the greatest factor in the efficiency of the industrial worker and in the development of the home-maker and mother of the future. But such physiologic differences afford no justification for a sex division of labor which may be advanced as one of the methods of labor adjustment in the post-war period. By eliminating women as the competitors of men, even in a restricted group of occupations—in a word, by "manizing" some occupations and "womanizing" others, a blow is struck at the industrial morale of American womanhood. Regardless of the sincerity of motive which may underlie such a theory, it is bound inevitably to mean a destruction of the initiative of that group of women, admittedly the minority group, whose training and qualities are such as to make them as executives the peers of men. And there will be an effect,

equally pernicious, on the majority group of industrial workers by the inhibition of their desires and judgments. Admitting that sufficient physiologic differences do exist to warrant the exclusion of women from particular occupations, let us face likewise the fact that the physical incapacities of some men warrant also their exclusion from particular jobs. And with this as a premise let us add to the trade and intelligence tests, now an accepted prerequisite in many occupations, physical tests which will eliminate those men and those women from enrollment in the occupations for which they, for any reason, are not fitted. By this method we are putting employment upon the only basis where it should rest—a basis of physical and mental fitness for a particular job without regard to sex.

The causes of labor unrest (pp. 95 and 101) that appeared during the war, were accentuated aspects of continuing sources of labor disturbance. In determining standards for replaced labor, full thought must be given not so much to palliatives as to the elimination of deep-rooted maladies in our industrial society. "Can We Eliminate Labor Unrest" is the title of the article setting forth in concrete form standards which make clearer an affirmative answer. Where the focal points of labor unrest are likely to be found is emphasized in the paper on "Post-war Causes for Labor Unrest." Knowing the probable causes of conflict, it will be easier to formulate a reconstruction labor policy which will look to the avoidance of those outstanding causes of labor unrest.

So acute a cause of labor unrest is the inevitable problem of wages that separate treatment has been accorded it. As a war problem the importance of determining an American standard of living has been forced on our attention by the upheaval in prices and the necessity of adjusting money wages to increased living costs. Not only has the Labor Party of Britain gone on record as favoring a basic living standard for the nation, but our National War Labor Board has determined wage disputes on the principle that all workers are entitled to a standard "which will insure the subsistence of the worker and his family in health and reasonable comfort." Clear expression has been given to the doctrine that there is a standard of living necessary to the productive efficiency of wage workers. Wages of various groups over and above this basic standard may constitute a surplus traceable to strategic advantage or monopoly power. The surplus may or may not contribute to increased efficiency of labor, but theories of wages seem lately to have been modified to fix a minimum below which the worker cannot be expected to give effective service. In reckoning that part of the national income which could be devoted to

war purposes, students of public finance placed as a necessary limitation on war expenditures the setting aside of a sufficient fund to maintain the energy of the people. A human maintenance fund and a capital replacement fund are indispensable requisites of efficient *post-war production*.

Just how a standard of living connected with productive efficiency could be determined was sometimes considered a matter of mystery beyond the comprehension of all but economists. That delusion must certainly give way before the treatment of budgetary studies in the article entitled "Measurement of the Cost of Living and Wages" (p. 110). It is a bit of privileged comment for the editor to state that Professor W. J. Ogburn has stripped of its mystery the science of budget construction. It is of more importance for most of us to have some clear cut idea of the method of measuring the cost of living and the actual increases in American living costs, than to follow an involved discussion of perhaps minor points of budget study. It is, however, but another bit of privileged comment to raise a question regarding the regular assumption of a family of five which may not always square with the facts. Thus in one state the average family may be 4.7 or in one large labor group 3.86. Budgets are constructed to make adequate provision for a family of five in order that families of subnormal size may find it possible to increase to the normal limit without suffering a lowering of their customary living standard. This practice is justified on the ground of public policy. It is a matter open to argument at least whether increased family earnings necessarily insure family increase. The size of the family seems more often to vary inversely with the size of income, and an improved standard of living "does not come to fruition in a greater number of children." As a matter of scientific procedure in budget construction, in no way impugning the desirability of a normal family of five, the question may still be raised whether the old assumption will necessarily yield the desired result.

In connection with the study of wages in relation to living costs, it is noteworthy that there should be in this volume several positive clear cut statements that the wages of the chief bread winner should be adequate to afford a living standard for the entire family of five. In various studies the chief bread winner's earnings



(husband) have constituted 46 per cent to 89 per cent of the total income of the family. It is urged, however, that earnings contributed by other members of the family group should not be reckoned as "complementary earnings" in the determination of wage scales.

One of the points of particular interest to economists in Professor Ogburn's paper is the outlining of pioneer work to express a budget in quantities rather than only in prices. The advantages of having a unit basis for a living standard are clear, when one considers price variation from place to place and time to time. Such a quantity budget will have importance for the establishing of a basic efficiency wage almost irrespective of particular times and particular places.

Equal pay for equal work is the basis urged for the determination of wages for women workers (p. 123) and certainly in one instance brought to the editor's attention the formula was more than justified. Three conductorettes and three conductors had alternate cars on the same street railway line the same day. The office returns showed that the day envelopes of the women contained something like twice the fares turned in by the men. Generalization, however, as to woman's initiative or efficiency would scarcely be warranted on the basis of this single test.

Without being disposed to question the suggestion of equal work—equal pay, one can still raise the query whether the problem of wages under a sex division of labor would not be equally simple. If instead of conflict between men and women for the same jobs and pressure for acceptance of the doctrine equal work—equal pay, sex division of labor were established, it would but set up additional non-competing groups, and wages for women as for men would be determined on the basis of a living standard with any surplus secured through collective bargaining or strategic position.

Health standards for labor (p. 130) are clearly comprehended in a reconstruction labor policy. Fatigue, hours of work, housing, working conditions are subjects inseparably related to productive efficiency and human welfare, as are hazards of women's work and the problem of the child in industry. One suggestion made in the paper entitled "Health Standards for Labor" is deserving of more than editorial discussion. If part of the task of connecting the man and the job may involve trade and intelligence tests, another

surely requires physical tests for the fitness of workers. It is not enough that women should not be permitted to engage in work beyond their strength—it is definitely necessary that men should not be enrolled in occupations for which they have not the physical capacity. The establishment of the practice of subjecting candidates for work to a physical examination would undoubtedly meet with opposition, but, should public opinion crystallize regarding that standard for the post-war labor force, proper legislation and, indeed, administrative machinery could speedily be devised. It would perhaps work a hardship in the case of adults to have such a plan develop as part of a reconstruction labor policy, but the situation would be less complex in the case of youths entering occupations which might be detrimental to health and development. Health standards for labor include not merely the reducing of hazards to a minimum and increasing the productive capacity of the individual,—they may even be made a basis for vocational guidance and the encouragement of young men to start in work for which “he-men” are qualified.

Vocational guidance leads directly to the consideration of industrial training after the war (p.137). The use of the United States Training Service to fill labor prescriptions, on the basis of skill acquired during the war, has given new emphasis to participation by the federal government in the work of industrial education. While one may quarrel with the implications of “specific productivity” in the idea that the maintenance of wages is “dependent on the relative production of the individual worker,” or the maintenance of the national average output, he can nevertheless endorse the opinion that industrial education over and above special training by industrial concerns is truly a national need. The rôle of the employment manager in vocational guidance must not, however, be overlooked (p. 144).

In closing his comment the editor may be permitted to note that the War Emergency and Reconstruction Congress of the United States Chamber of Commerce, recently in session at Atlantic City, was a gathering of national interest (p. 148). The attitude of business men towards post-war standards for industrial relations (p.163) will count heavily in the determination of a reconstruction labor policy and the setting of labor standards during the reconstruction period. That the old order of tooth

and class struggle between organized business and organized labor cannot result in the future political and social stability of the nation, or, indeed, the industrial prosperity of this great country, was clearly recognized by one of the outstanding speakers at the business man's congress (p. 157). By their acts will they truly speak!

It is the editor's special privilege to make grateful acknowledgment to Mr. V. Everit Macy, Dr. Royal Meeker, and Mr. Paul T. Beisser for their good offices in helping to suggest topics and contributors for a labor volume. More than editorial courtesy was shown by Mr. Thorpe, editor of the "Nation's Business," and Mr. Kellog, editor of the "Survey," in permitting the publication of certain of the papers of this volume. Above all acknowledgment is due to those busy men and women who made personal sacrifice of time and effort to prepare papers developing "A Reconstruction Labor Policy."

C. H. CRENNAN.

## Who's Who of Contributors

ANDERSON, MARY. Worked in the shoe factories for about 18 years. Belonged to Local No. 94 of Chicago of the Boot and Shoe Workers Union during that time. Was its Pres. for many years. Organizer for the Nat. Women's Trade Union League for eight years, a member Nat. Executive Board of the Boot and Shoe Workers Union 12 years. Member of Committee on Labor, Advisory Commission, the Council of Defense. One of the advisors in the Woman's Branch in the Ordnance Dept. when Miss Van Kleeck was dir. Appointed since then by the Sec'y of Labor to the position of Ass't Dir. in the Woman in Industry Service. Dep't of Labor.

BRÜERE, ROBERT W. Dir. of the Bur. of Industrial Research. Regular contributor on industrial subjects to the editorial columns of the *New Republic*.

CLAYTON, C. T. Clerk to the Committee on Labor of the House of Representatives during the Sixty-third and Sixty-fourth Congresses. Since then has been in the Dep't of Labor, first in the Sec'y's Office, latterly successively Ass't Dir. Gen. of the Employment Service, Dir. Civilian Insignia Service and now Dir. Training and Dilution Service, which is known as the U. S. Training Service. Recent publications have been on both "Employment Questions" in the publications of the American Assoc. for the Labor Legislation, and on "Employment Management" published by the Bur. of Labor Statistics of the Dep't of Labor.

CLOTHIER, ROBERT C. Lieut.-Col., U. S. A. Several years ago succeeded E. M. Hopkins, now Pres. of Dartmouth Coll., as Employment Mgr. with the Curtis Publishing Co., Phila. Subsequently resigned to become Ass't to the Vice-Pres. of the A. M. Collins Mfr. Co. but shortly afterward left to come to Washington to become a member of the Committee on Classification of Personnel in the Army, created by the Sec'y of War in August, 1917, to insure proper analysis, classification and placement of the soldiers in the American Army. Still a member of that group, although the committee has formally been merged with the Personnel Branch of the Gen. Staff.

DENSMORE, JOHN B., LL.B. Ind. Law Coll., 1909. Electrician, Bell Telephone Co., various stas. in Ia., to 1902; with Mine Worker's Journal, Indianapolis 1904-9; practiced law, Polson, Mont. 1909-13; first judge Municipal Court, Polson, and brought about commn. form of govt. there; solicitor Dep't of Labor, June 2, 1913-Jan., 1918. Nat. Dir. of employment, since Jan., 1918.

FAIRCHILD, H. P. For eight years ending June 30, 1918, was on Faculty of Yale Univ. The last year was also Sec'y of the Yale Bur. of Appointments, and part of the time Sup't of the New Haven branch of the U. S. Employment Service. Now Ass't Dir. Personnel Dep't of the Nat. Headquarters of War Camp Community Service. Author: Three books, "Immigration," "Greek Immigration to the United States," and "Outline of Applied Sociology." Has written numerous articles for periodicals.

GOMPERS, SAMUEL. Pres. American Federation of Labor. Cigarmaker by trade. Has been advocate of the rights of labor, and connected with the efforts to organize the working people since his 15th year. One of the founders of the American Federation of Labor and editor of its official mag. Has written a number of pamphlets on the labor question and the labor movement; with an intermission of one year has been Pres. A. F. of L. since 1882; first Vice-Pres. Nat. Civic Federation, mem. Advisory Commn. of Council of Nat. Defence, 1917. Author: Labor in Europe and America.

**IHLDER, JOHN.** Cornell '09. Year with *N. Y. Evening Sun*. Year in Europe to study social and economic conditions. Editor New Internat. Encyclopaedia; 1903, editorial writer on *Evening Press*, Grand Rapids, Michigan. Sec'y Municipal Affairs Commtee. Field Sec'y Nat. Housing Assoc. until January, 1916. Following year was Sec'y of the Ellen Wilson Homes, Inc., of Washington, D. C. Sec'y of the Immigrant Housing Com. of the Nat. Americanization Com. and Sec'y of the Housing Com. of the Baltimore Federated Charities later. Jan., 1917, Sec'y of the Phila. Housing Assoc.; Jan., 1918, mgr. of the Child Federation also. During 1918 Phila. representative of the U. S. Housing Corp'n. Member Nat. City Planning Ins., contributing editor *Survey*, and member of the Editorial Bd. of the *National Municipal Review*.

**JONES, MARK M.** In gen. offices of the W. C. F. and N. Ry., Waterloo, Iowa. Became traffic mgr. of the Wm. Galloway Co., Ass't Gen. Mgr. there. In Gen. Freight Dep't of the Southern Pacific Co. in California. Industrial Sec'y of the Oakland Chamber of Commerce. Became sec'y, moved to N. J. and organized Personnel Dep't of the Thomas A. Edison Industries. Actively engaged in prosecution of state and interstate rate cases before state commissions and the Interstate Commerce Com. At outbreak of war, assisted Committee on Classification of the Personnel in the Army in development and installation of the Army personnel system. Dir. of the Division of Trade Tests of same committee. Developed Trade Specifications of the Army and Trade Tests for determining vocational qualifications of persons on basis which was standardized for use throughout army. Ass't to Dir. Gen. of the U. S. Employment Service. Executive Dir. of the Nat. Assoc. of Employment Mgrs. Specialist on railroad operation, state and interstate rates, labor and industrial management.

**KEIR, MALCOLM.** Ass't Prof. of Industry, Univ. of Penna. Resigned to take up work as "Labor Expert" for the Industrial Relations Branch, Gen. Administrative Branch, Office Dir. of Purchase and Storage, War Dep't. Has had articles accepted by *Journal Political Economy*, *Education*, *Scientific Monthly*, and other magazines.

**KENDALL, HENRY PLIMPTON.** K.A.B., Amherst, 1899; Pres. Lewis Mfg. Co., Wateree Mills, Walpole Trust Co.; treas. Plimpton Press, Slatersville Finishing Co.; mem. firm Holliston Mills; Dir. First Nat. Bk. (Boston), Reed-Prentice Co., Dir. Boston Chamber of Commerce, mem. Am. Soc. M. E., Nat. Soc. Promotion Industrial Edn. (bd. govs.), chairman of the Committee on Industrial Relations of the Chamber of Commerce of the U. S.

**LAPP, JOHN.** Publicist, Ph.B., Alfred Univ., 1906. Grad. Scholar in polit. science, Univ. of Wis. 1906-7; fellow in economics, Cornell Univ., 1907-8; legislative ass't for Legislative Voters League, Chicago, during session Ill. Legislature, 1907; ass't in politics, Cornell Univ., 1908; legislative reference librarian of Ind., Oct., 1908-13; dir. Ind. Bur. of Legislative Information, 1913-; Sec'y State Commn. on Industrial and Agri. Edn., 1912-13; mem. Federal Com. on Vocational Edn., 1914; managing editor of "Special Libraries," 1910-17; assoc. editor *National Municipal Review*, 1912-13; *Am. Political Science Review*, 1914-. Trustee Alfred (N. Y.) Univ.; Lecturer in Legislation, Ind. Univ.; Dir. *Author: Learning to Earn*, 1915. *Our America—The Elements of Cures*, 1916. *Compiler: Important Fed. Laws*, 1917. Contributor to review of legislation in *Amer. Political Science Review*, etc. Director of Investigations, Ohio Health and Old Age Insurance Commission.

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**MACY, V. EVERIT.** Commissioner of Charities and Corrections of Westchester Co., N. Y., Chairman of the Bd. of Trustees of Teacher's Coll., N. Y. Trustee of the Metro-



politan Museum of Art and various other philosophical and educational organizations. Dir. of the Mechanics and Metals Bank, Central Union Trust Co.; Seaman's Bank for Savings, St. Louis and Southwestern R. R. and various other corporations. Has written articles on various labor and social questions.

MALLERY, OTTO. Member of the State Industrial Bd. of Pennsylvania. Sec'y of the Emergency Public Works Commission of Penna. Staff of the War Labor Policies Bd. in charge of the development of public works by states and cities during the transition period.

MEAD, ELWOOD. Chairman of the State Rivers and Water Supply Commission of the State of Victoria, Australia, from 1907 to 1915, during which time nearly one year was spent in Europe studying state aid and direction in land settlement, as the beginning of a closer-settlement policy in Victoria. On return to America in 1915 was chairman of the Cost Review Board of the U. S. Reclamation Service. In 1915, was first professor of Rural Institutions in the Univ. of California, probably the first chair of the kind created in this country. In 1916, chairman of the Commission which reported on Colonization and Rural Credits in California, and wrote the report. Now Chairman of the Cal. State Land Settlement Bd., and temporarily assisting Secretary Lane in working out settlement plans for the soldiers.

OGBURN, WILLIAM F. Ph.D., Columbia. Prof. of Sociology at the Univ. of Washington. On leave since June, occupying the position of Dir. of the Cost of Living Dep'ts of the Nat. War Labor Bd. in Washington, D. C. *Publications*: "Uniformity and Progress in Child Labor Legislation." Has contributed articles to the American Statistical Association publications, *The Political Science Quarterly*, *The Economic Review*, *The Survey*, *Scientific Monthly*, etc.

ROCKEFELLER, JOHN D., JR. Capitalist. A.B. Brown Univ., 1897; associated with his father in business enterprises; Dir. Colo. Fuel and Iron Co.; Manhattan Ry. Co., Merchants Fire Assurance Corp'n. Active in S. S. and philanthropic work; chmn. bd. Rockefeller Foundation; trustee Rockefeller Inst. for Med. Research; dir. Gen. Edn. Bd., Bur. Social Hygiene, Internat. Health Bd., China Med. Bd.

RUML, BEARDSLEY. Ph.D., Univ. of Chicago, 1917. Instructor in Psychology, Carnegie Inst. of Tech., Pittsburgh, Pa. Statistician for the Laboratory of Social Hygiene, Co-Dir. of Trade Tests, U. S. A. *Publications*: Reliability of Mental Tests in the Division of Academic Group, published in *Psychological Monographs*, 1917. The Measurement of the Efficiency of Mental Tests, published in *Psychological Review*, 1916.

SCHWAB, CHARLES M. Capitalist; ed. village sch. and St. Francis Coll. Entered service of Carnegie Co. as stake-driver in enrg. corps of Edgar Thompson Steel Works, becoming chief engr. and ass't mgr. 1881-7; supt. Homestead Steel Works, 1887-9; gen. supt. Edgar Thompson Steel Works, 1889-97, Homestead Works, 1892-7; pres. Carnegie Steel Co., Ltd. 1897-1901; pres. U. S. Steel Corp'n., 1901-03; now chmn. bd. Bethlehem Steel Corp'n., Bethlehem Steel Co.; dir. Empire Trust Co., Empire Safe Deposit Co., Chicago Pneumatic Tool Co., Am. Universal Mill Co., Fore River Shipbuilding Corp'n., Silver Co., Chase Nat. Bank. Apptd. Dir. Gen. of shipbuilding, of U. S. Shipping Bd. Emergency Fleet Corp'n., Apr. 1918.

VAN KLEECK, MARY. Smith Coll. 1904; 1914-1917, Instructor on Industrial Conditions, N. Y. School of Philanthropy; 1909-December, 1917, Dir. Division of Industrial Studies, Russell Sage Foundation; January 1918 to July 1918, Dir. of the Woman's Branch, Industrial Service Section, Ordnance Dep't, Washington, D. C.; July, 1918, to present, Dir. of Woman in Industry Service, U. S. Dep't of Labor and member of War Labor Policies Bd. *Publications*: Books pub. by the Russell Sage Foundation, "Women in the Bookbinding

Trade"; "Working Girls in Evening School"; "Artificial Flower Makers"; "A Seasonal Industry—A Study of the Millinery Trade in New York." Articles published from time to time in *The Survey* and other periodicals.

WILLITS, JOSEPH HENRY. A.B., Swarthmore Coll., 1911; B.S. same, 1912; Instr., same, 1911-12; Ph.D., Univ. of Penna., 1916; Instr. in Industry, Wharton School, Univ. of Penna., 1912 to date; Special agent for the City of Phila., investigating unemployment in the City of Phila., April 1915, under Dir. of Public Works, Morris L. Cooke; Consultant, Industrial Betterment Committee, for the American Hardware Mfr's Assoc., Jan., 1917 to Sept., 1917; Sec'y of the Phila. Assoc. for the Discussion of Employment Problems, June 1915 to date; Employment Sup't, Naval Aircraft Factory, Navy Yard, Phila., Sept. 1917 to date; Editor in charge, May 1916 and May 1917 *Annals of the American Academy of Political and Social Science*, devoted to "Personnel and Employment Problems in Industrial Management" and "Stabilizing Industrial Employment," respectively; author of Report on Unemployment in the City of Phila., 1915; and author of numerous short articles on employment and personnel subjects.

WILSON, IDA M. For several years was in a central employment bureau and acted as Voc. Dir. in Spokane, Wash. Sent by War Industries Bd., Employment Management Div. to the government's intensive training school in Employment Management in Rochester Univ. From there went to U. S. Air Nitrates Plant No. 2 at Muscle Shoals, Ala., as Women's Employment Chief.

The first of these is the fact that the United States is a young nation, and that its history is a history of growth and development. It is a history of a people who have been able to overcome many difficulties and to build a great nation out of a small colony.

The second of these is the fact that the United States is a nation of immigrants. It is a nation of people who have come from many different parts of the world, and who have brought with them their own customs and traditions. This has made the United States a very diverse nation, and it is one of the reasons why it is so strong and so successful.

The third of these is the fact that the United States is a nation of freedom. It is a nation where people are free to express their opinions, to follow their own paths, and to live their own lives. This is one of the reasons why the United States is so loved and so respected by people all over the world.

The fourth of these is the fact that the United States is a nation of progress. It is a nation where people are always looking for new ways to do things, and where they are always trying to make things better. This is one of the reasons why the United States is so successful and so powerful.

The fifth of these is the fact that the United States is a nation of peace. It is a nation where people are always trying to get along with each other, and where they are always trying to make the world a better place. This is one of the reasons why the United States is so loved and so respected by people all over the world.

The sixth of these is the fact that the United States is a nation of justice. It is a nation where people are always trying to do what is right, and where they are always trying to make things fair. This is one of the reasons why the United States is so loved and so respected by people all over the world.

The seventh of these is the fact that the United States is a nation of hope. It is a nation where people are always looking for a better future, and where they are always trying to make things better. This is one of the reasons why the United States is so loved and so respected by people all over the world.







## British Demobilization Plans

By ROBERT C. CLOTHIER

AT the end of the Boer War, England suffered from civic unrest as a result of the unplanned unloading of soldier personnel on industry. The lesson was not forgotten. Sixteen years afterward, before the greatest war of England's history had approached an end, definite plans for the dismissal of its soldier personnel were evolved in order to prevent the recurrence of such unrest. It was evident that, owing to the numbers of men involved, the unrest in 1919 would be far more acute than it was in 1902 unless some counter-influence were exerted.

The probability of such unrest must necessarily be greater in the case of England than in the case of the United States, owing to the fact that, actually and proportionately, England has sent more men to war than America has. Approximately, the British Isles have sent one man to every ten of their population. The United States has sent one man to every twenty-five.

England is industrially very much alive. Her manufactories are operating with diluted and substitute labor—much of which wants to “stay put.” It is true that the reestablishment of British industry on a peace basis will open up positions which have been closed during the war. Yet it will also close hundreds of thousands of war jobs, the holders of which will demand employment elsewhere. Now, the army personnel is to be released—superimposed upon the “dilutees” who want to stay put and the war-workers who must have employment in peace-time production. In short, England as a nation has stretched its labor personnel to the utmost to create her armies and to man (and woman) her essential industries. Can it “contract” its labor personnel to normal as easily?

These considerations, viewed in the light of her experience of 1902, determined that in demobilization the interests of the army should be subordinated to the interests of industry. In the plans for demobilizing the armies, worked out by the Director of Mobilization, the basic factor (after the factor of military safety) was not the convenience of the army but the needs of industry for

certain kinds of men. Thus, as a corollary, it became a fact that demobilization should take place according to the industrial classifications of the men and the requirements of industry for men of those classifications *in the order in which they are wanted*.

This conclusion was reached in part by a process of elimination. Demobilization by units was set aside in the beginning. It was seen that such a plan would flood British industry with man power without reference to its fitness, much of which would be worthless in the initial stages of civic reconstruction and which, for that reason, would provide an added problem of unemployment to those already confronting the government. It was also recognized as unfair to the millions of men overseas if those at home, just because they were on the spot, were given the first opportunity to secure work. In short, the priority of demobilization is not determined by geographical location, or by age, or by length of time in the service, or by the fact that some have family obligations and others have not, although all these factors are given consideration in the selection of men for early release. The primary factor in the priority of demobilization is the individual's special occupational fitness. The men needed first for industrial and civic reconstruction will be released first. The others will be released in such manner and sequence as will make it possible for industry to absorb them most readily.

#### THE BRITISH ARMY SYSTEM

This establishes the need for a priority list of industrial groups prepared according to the relative requirements of the different industries, this list to be used by the army as a guide in selecting the men for early release. Because England planned her methods ahead, the machinery for determining these priorities was ready and set up when the time for action came. There was no need for a hurried and ineffective attempt at the last minute to find out what men were wanted first.

It may be of interest, especially to readers familiar with army procedure, to touch on the system used by the British army to determine its officers' and soldiers' industrial qualifications as a basis for selecting them for release according to the priority list. Each soldier carries on his person an army book, a small waterproof booklet containing his pay record and other important

information. In this is entered his trade and industrial group as ascertained previously, either when he entered the army or subsequently on his return to England. There are forty-one industrial groups provided for in the British plan, as follows:

- |                          |                                       |                       |
|--------------------------|---------------------------------------|-----------------------|
| 1. Agriculture           | 16. Leather tanning                   | 28. China             |
| 2. Seamen                | 17. Other leather trades              | 29. Brick             |
| 3. Coal mining           | 18. Clothing                          | 30. Building          |
| 4. Other mining          | 19. Sawmilling                        | 31. Railway           |
| 5. Slate mines           | 20. Furniture                         | 32. Dock laborers     |
| 6. Quarries              | 21. Coachbuilding                     | 33. Carters           |
| 7. Food                  | 22. Shipbuilding                      | 34. Motor drivers     |
| 8. Explosives            | 23. Iron and steel manu-<br>facturers | 35. Public employes   |
| 9. India rubber          | 24. Tin plate manufactur-<br>ers      | 36. General laborers  |
| 10. Printing             | 25. Iron foundry                      | 37. Commercial        |
| 11. Woolen               | 26. Engineering                       | 38. Warehouse men     |
| 12. Cotton               | 27. Other metal trades                | 39. Domestic          |
| 13. Other textile trades |                                       | 40. Other occupations |
| 14. Dyeing               |                                       | 41. Employers         |
| 15. Bootmakers           |                                       |                       |

These industrial groups are not arranged here according to priority. The priority is subject to change from time to time as the need for men by industry changes.

Under the British plan, an order is to be issued by the War Office at the proper time (probably before this article appears) that all unit commanders shall classify their personnel on special forms, according to (first) the man's industrial classification and (second) his "dispersal area." In explanation of the latter term, the British Isles are divided into districts known as dispersal areas, each of which has its dispersal station, corresponding to the cantonments America is using as demobilization camps.

Each of these army forms is forwarded to the next superior officer where it is consolidated with similar reports and forwarded on and up through military channels until a consolidated report is in the possession of the War Office which shows the number of men of each industrial group from each dispersal area in each command, at home and overseas. Three weeks is the period of time estimated as elapsing between the issuing of the order and the receipt of the tabulated information by the War Office. With this information in hand, both as to the classification of the men in the army and the sequence of industrial groups, an allotment of numbers is issued to the overseas forces and to the com-

mands at home, to the end that proportionate numbers of men from overseas and from within the United Kingdom of the proper industrial groups shall be returned to civil life at such times and in such order as they are needed.

The time consumed in obtaining from the field the reports of the composition of the forces in terms of industrial groups is used to good effect in the setting up of the military machinery for demobilization. In the demobilization regulations this is made clear as:

The creation of cadre establishments for units of all armies for the care of matériel—guns, equipment, etc.; the formation of army units, composed of men who are specially trained in their duties, which are to draw the men from the army, receive them at designated points, transport them to England, disperse them there; the creation of a system of payment for dispersed soldiers; the making of arrangements for the collection and storage of arms and equipment; the preparation of the necessary army forms for the classification, selection and releasing of men; estimating and coördinating the transportation of facilities available; making arrangements for concentrating, embarkation and disembarkation; preparation for the accommodations for officers and men and horses, including these temporarily incapacitated.

The "army units" referred to in the second line of the above are "dispersal units," each of which comprises sufficient trained personnel to clear 2,000 men in twenty-four hours. Usually one dispersal unit is thought of as located at a dispersal station, but when more than 2,000 men are expected to pass through a given dispersal station in twenty-four hours, more than one dispersal unit is assigned to it. For assignment to eighteen dispersal stations there are thirty dispersal units.

At the same time, the War Office is engaged in selecting and releasing certain special individuals needed by the army to carry on the work of demobilization and resettlement. These are defined, first, as "demobilizers," men to be called out of the army to serve in a civil capacity, such as trained pay and record clerks, overseas traders, civil police, doctors, etc.; and second, as, "pivotal men," the key men in the various industries without whom the bulk of the men to be employed cannot get to work effectively.

It is the intention of the War Office, while demobilizing the armies by occupational groups and while releasing equal numbers of men from units at home and from units overseas, to permit the commanding officers sufficient latitude in selection to give preference to men who have been longest in the field and to those who are married.



Critics who see this procedure from a strictly military viewpoint may comment unfavorably upon the fact that it honeycombs the military units and therefore destroys their effectiveness. It must be borne in mind, however, that all this machinery for demobilization by industrial groups is made conditional upon military safety. In all these plans for dispersing the armies, prior consideration is given, above all things, to the possibility of ill-faith on the part of the enemy and the necessity, for that or other reasons, of being able to exert military power on short notice. Consequently such criticism, if expressed, is hardly justified. It is true that to permit demobilization by individuals the British plan provides for the reduction of units to cadres—about one-third of war strength in some cases and less in others—but sufficient for the care, transportation and eventual dispersal of animals, guns, equipment and other material.

After the reports of the men (by industrial group and by dispersal area) are dispatched to the War Office, after the priority of industrial groups is determined, and after the allotment numbers are issued to the various commands and are prorated to the constituent units, each unit commander selects the men to be forwarded according to their industrial groups and, in less degree, to their length of service, their domestic responsibilities and other personal considerations. Thus thought is given in each man's case to his relative right to early release, but the program as a whole lays special stress upon the need of industrial Britain for workmen of the right kinds.

As each man leaves his unit to go home he is given a dispersal certificate, which gives all information needed en route and at the dispersal station. This dispersal certificate, issued to him by his unit commander, gives his name, his destination, the equipment for which he is responsible, his dispersal area, his military unit, his industrial group, his trade within that group, his medical category and other pertinent information. These men selected for dispersal, each with his dispersal certificate, are sorted abroad into collecting camps, which are affiliated with the various sea and rail routes serving the several dispersal areas in the United Kingdom. These dispersal areas are laid out, not mechanically, but according to the territory served by the different railroads.

Soldiers in units at home are collected at designated stations and are handled in like manner.

At the collecting camps overseas the men are grouped into drafts of several hundred each. These drafts are forwarded to the British Isles as quickly as transportation is available and there proceed directly to their respective dispersal stations. Thus each man comes to the dispersal station nearest his home, fully equipped; the British plan provides for the use of each soldier as a "carrier" in transporting his personal arms and equipment to England. At the dispersal station he is kept only a few hours; he hands in his arms and equipment, assuming charge for any lost articles. Here he receives an unemployment donation policy, a railway warrant to his home, a certificate entitling him to a suit of plain clothes at 50 shillings wholesale, a cash payment of two pounds to be charged against his account, a service gratuity of one pound for each year of service, a war gratuity (undetermined in amount) which is supposed to compensate him for the loss of the ancient and honorable privilege of looting, and a protection certificate. This certificate he must be prepared to present in order to obtain from the Post Office the money orders which are to be sent to him periodically thereafter for his pay, and his separation and family and ration allowances, all of which are to be continued to him during the twenty-eight days furlough which is allowed him after his dispersal.

Each man is permitted to retain as his private property his uniform, boots and underclothes. He is permitted to retain his greatcoat during his furlough but must return it at the conclusion of the twenty-eight days. He may wear his uniform during this period but at the end of it he will be expected to have reclothed himself in plain clothes. Allowance for purchasing plain clothes, as stated above, is in the form of a certificate which entitles him to a suit of clothes retailing at 57 shillings 6 d., and wholesaling at 50 shillings. If the soldier cares to do so he may exchange this certificate for fifty shillings cash. It is interesting in this regard to know that owing to the concentration of industry on war needs there is not an adequate supply of tweeds, worsteds and other appropriate goods to make all the plain clothes needed. To help solve this problem it is planned to subject to special treatment,



the great amount of khaki cloth on hand, thus making it appropriate for use in the making of civilian clothes.

The unemployment insurance policy issued to ex-soldiers is the same in nature as the regular national unemployment insurance policy. This insurance is free; there are no dues and there are no "waiting weeks," as is customary in industrial insurance. The benefit is not called a benefit but a "donation," for the purpose, psychologically, of leading the man to secure employment at the earliest opportunity.

The procedure explained in these paragraphs applies *in principle* to officers as well. The furlough and the unemployment insurance are not granted to officers.

The demobilization of the Queen Mary's Army Auxiliary Corps (women) will be carried out on similar lines. The women are formed into dispersal drafts and cleared through dispersal hostels; in their selection for release special attention is given to their dispensability and to their domestic obligations.

#### UNDERLYING CONDITIONS

In preceding paragraphs we have considered the actual machinery of demobilization and dispersal. This paper should touch similarly on the underlying conditions upon which this procedure is based. One of the foremost factors to be considered in this regard is sea transportation. The chartering of ships and the providing of adequate wharfing facilities are, in the case of the British, taken care of by the Ministry of Shipping which functions at Paris under the Allied Council. Obviously, the more ships that can be spared from other national requirements the quicker will be the process of repatriation. It is interesting to note, however, that General Burnett-Hitchcock, Director of Mobilization, stated to the writer of this paper that the neck of the bottle in the demobilization of the armies overseas will prove to be the wharfage facilities in France. The General believes that this will be true in the case of America's armies as well.

With reference to land transportation, it is planned to release from the army among the first the technical railroad men needed to operate the roads during this period of increased passenger and freight traffic. Ample rolling stock is on hand. The coördination of the sea and land transportation facilities of the United

Kingdom will be carried out under the Director of Movements and Railways, who functions under the Director of Mobilization.

The all-important question of the supply of raw materials is being studied under the Ministry of Reconstruction. Steps are being taken as far as possible to secure sufficient supplies of raw materials well in advance. Similarly plans are in effect whereby adequate financial assistance will be given manufacturers and others whose businesses have been disrupted by the war in order that they may be enabled to reorganize as quickly as possible for peace-time production.

The care of the ex-soldiers and ex-officers who are still unfit for civil life owing to their injuries is assumed by the Ministry of Pensions. These disabled men must be accommodated and arrangements must be made for this accommodation without impeding the dispersal of returning troops. It is stated that the present hospital facilities will be adequate for the handling of this class of personnel. There are 400,000 hospital beds in England available for the purpose.

Thus, in summing up, we see that the British War Office intends that the men of Britain shall be returned to industry in the order in which they are wanted. The machinery of demobilization is organized with this in mind. Through the functioning of this machinery men are brought back to the localities where they will be useful, but no attempt is made arbitrarily to assign them to specific jobs. It is not to be supposed, however, that because there is no military agency to accomplish this result that provision is not made for the resettlement of individuals in productive industrial life. Officers and soldiers are given every assistance in securing work for which they are qualified. Those who have openings to which they can return of course will require no assistance; but those who have no such positions awaiting them must either establish industrial contacts themselves or secure help in doing so. In order that they may receive proper assistance, those who wish it are privileged to fill out army forms, prepared for the purpose, at the time when the unit commanders are classifying their personnel prior to the withdrawal of men. There is one form for officers and soldiers of like standing in civil life; there is a separate form for soldiers of artisan standing in civil life. These forms are sent to the Ministry of Labor, under which are

two organizations; the Ex-officers' Resettlement Committee, which is equivalent to an employment exchange for professional and business men, and the Labor Resettlement Committee, which assumes the same responsibilities with reference to tradesmen. The latter functions primarily through the employment exchanges of the Ministry of Labor, corresponding in general to the offices of the United States Employment Service.

#### SALIENT POINTS FOR AMERICAN DEMOBILIZATION

There is much in the British system that does not apply to our own conditions. It is believed by many, however, that demobilization according to some industrial standard is necessary for America too if unemployment and labor unrest are not to ensue. It is not the purpose of this paper to offer an opinion on this point. The responsibility of replacing discharged soldiers (and ex-munitions workers) in industry is, however, a function that is very clearly located. There is need for some agency to help men get jobs they are qualified to fill when they want help of that kind. No service of this kind should be made mandatory. The individual will resent any such service imposed on him. He will, however, be grateful for the same service if proffered to him on a voluntary basis.

It is apparent that at this time there is an exceptional opportunity offered to the United States Employment Service—and a corresponding responsibility imposed upon it. Whether demobilization of the armies at home and overseas be by military unit or on some industrial basis as in the case of the British, the need for a national employment clearing house is evident. The need will be especially acute if demobilization is by military units, inasmuch as, in that case, a larger proportion of men will be released from the army for whom there are no welcoming jobs waiting at home. These men will, unavoidably, have greater difficulty in finding their places. Naturally they will require assistance to a greater measure than men released because they are *needed* now by industry.

When America entered the war, the Secretary of War created the Committee on Classification of Personnel, a group of business specialists who had engaged in practical personnel work in industry. Under the direction of this group, a functioning system was

created in the army whereby the millions of men flowing from industry into the army were classified with a high degree of accuracy, trade-tested in the cases of certain skilled trades, and placed in positions where their skill could be used by the army, not thrown away as unfortunately was the case in Britain's hurried mobilization in 1914. This has resulted in the increased effectiveness of the army through increasing the effectiveness of the individual officer and soldier.

The process of demobilization offers a parallel opportunity for constructive work of this kind. The gears of the machine are thrown in reverse and the vast supply of personnel will henceforth flow from the army back into industry. Under this changed state of affairs, the importance of the principles of *the proper placement of the individual* remains a constant. It is equally true that the abilities of men must be determined and used if those men are to find happiness and be of maximum service to industry.

In short, we have been engaged in analyzing men and placing them properly in the interest of military effectiveness. Now we should perfect the machinery through which these men should be given the opportunity to have their abilities determined and to be put in contact with jobs for which they are fitted—in the interest of industrial effectiveness.

In large measure, the methods used by the army in placing men in work for which they are fitted can be adopted by industry. Recruits entering the army do not fill out their own forms as is so frequently the practice in the employing offices of industrial concerns. They are cross-questioned by trained interviewers who enter the data for the soldiers on their records. Scientific trade tests have been worked out in coöperation with industrial concerns and the tests themselves tested to establish their accuracy. Recruits claiming skill in the metal and woodworking trades are given trade tests and their proficiency definitely established. Officers of technical units calling for skilled men are thus assured, especially in the case of those trade-tested, that the men furnished them can do the work for which they are requested.

Army trade specifications have been prepared and published in pamphlet form for the use of army officers in requisitioning skilled men. For each of over 600 trades needed by the army, there has been carefully studied out (a) duties of the tradesman, (b) qual-

ifications entitling a man to undertake such work and (c) substitute occupations to be called on if men of the original trade are not available. For example:

#### FORGING MACHINE OPERATOR

##### *Duties*

1. Operation of standard types and various kinds and sizes of forging machines, such as bulldozes and hydraulic presses on general work.

##### *Qualifications*

2. Should have thorough knowledge of rivet and bolt forging machines, screw, toggle and hydraulic presses for heading staybolts, forms and all classes of press forgings of various materials.

Should have a practical knowledge of coal, gas and oil types of forge furnace, and the proper heating of various material for forgings.

Must be able to set and adjust dies and maintain same and be able to turn out uniformly dimensioned product.

##### *Substitute Occupations*

3. Drop forge operator, press operator, heavy forge blacksmith, blacksmith.

The use of these specifications establishes a uniform language. There is no possibility of the depot camp personnel officer furnishing the wrong kind of men through misinterpretation of terms. A drill-press operator is a certain definite kind of man; a bench hand is another. The use of these specifications prevents the forwarding of bench hands when drill-press operators are wanted, merely because they are both mechanics.

All this work in the camps has been done by officers and men of ability and training who in business life command proportionate salaries. Without this superior personnel, these superior results would have been impossible. An effective machine in the hands of low-paid men of mediocre ability functions with the effectiveness, not of the machine, but of the men.

It is believed that these methods are equally adaptable to the proper distribution and placement of men in industry. It is believed that the tradesman returning to industry has the right to have his ability determined and recognized and to have assistance in securing the position to which his skill entitles him. It is believed that similarly the employer is entitled to have some certification of the ability of the men referred to him, for any mismatching between the man and the job results in loss to the employer as well as to the man. And certainly by the establishment of uniform trade terminology, it should be made possible



for the employer to be confident of receiving the kind of man wanted and for the man to be saved the possibility of setting forth on a job for which he is not qualified.

In so far as steps to this end have already been taken by the Labor Department in all cities say over 25,000, the United States Employment Service is in a position to assume this gigantic task of placing our army personnel back into industry—and not only that but also the task of acting permanently as a means of contact between the American employer and the American workman. If at any of its offices machinery of this type is not in full use and operation, an opportunity undoubtedly exists for the United States Employment Service to increase its effectiveness and value to the country.

There is much in the British plans for demobilization that is of significance to us. Their method of release of men from the army is perhaps not parallel to ours. Yet American business can learn a lesson from the British plans for resettlement and from the American system of fitting men into the army which, if heeded, should result in the establishment of a machine which would prove a permanent asset to American industry.

## Release of Industrial Leaders from Government Service for Industrial Supervision

By MARK M. JONES

WE hear that we are on the dawn of an era of super-organization of business; that industrial units will be larger; that industrially we must be more economical and more efficient if we are to compete favorably in the world's markets; and that our business viewpoint must henceforth be international rather than national in its scope.

If this be true, the American nation will need leadership of the finest kind. It will particularly require men of initiative, adaptability, resourcefulness, broad knowledge of business conditions, and highly developed capacity to use things economically and efficiently.

With such an approach it seems that in connection with demobilizing labor, the release of industrial leaders from government service for industrial supervision has four main aspects:

1. Where is the need in industry?
2. The program for release of leaders for industrial needs.
3. Will executives return to their pre-war occupations?
4. What will be the result of their government service?

### THE NEED IN INDUSTRY

A primary need will be in the many shipbuilding plants of the nation. The production problems of these enterprises are such as to tax the resources of the highest type of management, and the need for men of initiative who can strike out independently, regardless of conditions, yet play the game with others so well that the necessary teamwork and coöperation may emerge, will be great.

Leaders will certainly be required in those war industries which face the problem of developing markets in order to prevent both new and old equipment from being idle. Many of these enterprises have simply manufactured their regular product as a war essential at a higher rate of production, while others have done special work with new equipment, for which they must now find a

product that has a market in peace times. Sales organizations have been discontinued entirely in some cases, whereas in others they have worked according to a much restricted program with the idea of holding enough of an organization together to return to peace conditions. To such fields many men will return richer in experience and with a wide field of opportunity.

The so-called "less essential" industries offer a distinct problem. Many were curbed to meet war necessities in money, materials and men. They will be facing the problem of expansion to a pre-war basis. It will be necessary for them to gather together an organization in many cases, while in others the nucleus which has been held together must be expanded for increased production.

A further need for executive talent will be found in the new industries which will grow out of the inventions and the special circumstances of the war. A striking example of this will be the chemical industries which now supply home needs, yet have many problems to overcome before they are in the most favorable position for competition in the world's markets.

The return to industries of the individual whose position was not or could not be filled when he entered government service is a pressing problem. We all know of many instances where important men have not been replaced. Their work has been distributed among associates who have speeded up as a patriotic effort. Naturally their increased speed could not be maintained continuously and many leaders will therefore return to positions which have been administered in a mediocre way and in which great opportunities for concentration of initiative exist.

How urgent is the need of releasing industrial leaders from government service is shown in the case of managers, superintendents and foremen drawn from their regular occupations. Men for such positions should be high types of leaders. Their initiative and activity in many cases took them into government service without thought of their future. Such men have usually been of high types, and industry has suffered from their loss. Their return should be speeded, as upon them with their enlarged vision and richness in experiences will rest a large portion of the responsibility for guiding us safely into the future.

Certain presidents or executive heads of industries have their enterprises so well organized that their individual initiative might

be diverted to government service without embarrassing the enterprise. However, the initiative and pioneering experience of such men will be again needed and their guiding hand should be quickly applied to the new problems in their enterprise, which will be created by the dawn of peace.

It thus appears that upon the speed with which we divert the initiative of industrial leadership from war to peace activities will in a large measure depend the speed and quality of our economic readjustment.

#### A PROGRAM FOR RELEASE OF LEADERS FOR INDUSTRIAL NEEDS

The leaders in government service might be classified in three groups, as follows:

1. Commissioned officers.
2. Civilians on government work.
3. Civilians in essential industries.

Among the commissioned officers, in field as well as staff service, will be found many industrial leaders. Their release will probably be determined by military rather than industrial necessities. In many cases they will be needed to meet problems of demobilization as affecting the army, yet after the planning in connection with such problems is done, they should be released in order that the work might be carried on by others of more limited talents. The men of special prominence who have accepted commissions would undoubtedly be permitted to resign, and thus take up old activities quickly. Others of less prominence would necessarily have to be sought out and could be located through the qualification records covering commissioned personnel. Releases where permitted by military conditions and desired would undoubtedly be regulated on the basis of length of service and in recognition of excellent work.

The civilians in government service might be grouped according to those who are on full salary and those who accepted appointments on a dollar per year basis. These civilians have in some cases been loaned by the enterprise temporarily, and in other cases for the duration of the war. Others have severed connections with former employers and have entered government service as a civilian on their own volition.

So far as making available those loaned is concerned, the problem is more simple than with the commissioned officers. Some balancing of the needs of industry versus those of the government during demobilization can be arranged. In respect to those who have been in government service free of obligation to former employers, the problem will be one of redistribution in which individual initiative, the United States Employment Service and private employment exchanges handling executives will play an important part.

Placement of leaders now serving the government in civilian capacity will be more serious in those cases where a prospective opening has not been located. Civilians are scattered among a great number of departments and divisions, and are not classified in such a comprehensive manner as are those in uniform. The problem will not be so acute so far as the individuals of prominence are concerned. It will be among those whose activities have been of more limited scope that the main questions will arise. So far as leadership is concerned, however, the main problem will be in ascertaining the needs of industry and reflecting such needs to a central point in a manner which will permit of matching with the supply. It is mainly a question of how to arrange the focusing of supply and demand at the same point in order that a redistribution may be made on the most economical and efficient basis possible.

So far as the men held on government work through the operation of the selective service regulations are concerned, a less problem exists. The majority of those to be released will be found among the industries of a temporary nature for some phase of munition work. In such cases those who came from less essential industries may divert their activities into former occupations as soon as the restrictions of the Selective Service Act are removed.

In other cases where the work of the enterprise will not be materially affected, leaders who have been operating under unsatisfactory conditions because of industrial classification under selective service regulations will be free to enter new fields.

#### WILL EXECUTIVES RETURN TO PRE-WAR OCCUPATIONS?

It seems clear that more men in the class of leaders will go back to former occupations than will those from the workers. The majority will return to their pre-war occupation. Others, how-



ever, on the basis of a wider scope for activity, have learned of new fields in which they can better apply their talents. Individuals who formerly were in the class of misfits have found themselves, and will enter fields in which they may better apply their energies. Those who had only general qualifications prior to the war and have followed courses of study, accepted new responsibilities which have transformed them into specialists with a higher degree of skill. Such men will certainly do everything possible to cash in upon the enlarged usefulness thus created.

While the majority of leaders released from government service will return to pre-war occupations, not all will be released. It seems clear that for some time at least our standing army will be greater than ever in peace times and many will wish to remain in the military establishment. It seems reasonable to suppose that an opportunity will be afforded them to do so, and that a great many will accept it.

#### RESULTS OF GOVERNMENT SERVICE

Leaders returning to industry will, in the main, bring an enlarged vision and a greater appreciation of the problems of the day. Their government work has given them an international viewpoint, whereas before the war their interests were mainly national. They have had to deal with larger units than ever before in history and where they have been accustomed to thinking in tens and hundreds, a great many in order to succeed in government service have been compelled to speed up to think in thousands, millions and billions. Such enlarged capacities for administration will be a reward to be accorded an important place in the list of advantages gained from the war.

The majority will be more than compensated for their government service. Others, however, will return to peace times faded and fagged through struggles with great snarls of red tape. Many leaders have undoubtedly fussed and fumed while endeavoring to get results through "channels" and have ultimately been satisfied to slow down to the speed of their surroundings. This has been particularly true among those commissioned, and it seems reasonable to suppose that the issuance of commissions for non-combatant personnel would be very much restricted were we to enter upon another war period. Many cases have been reported where

able men have suffered diminished effectiveness as the result of the restrictions of the uniform. This of course has not been the case among those serving in civilian capacities. The issuance of commissions would probably be restricted to those serving in the field, and to a very few administrative positions of staff nature were we to mobilize again.

Among other advantages leaders will return with a broader understanding of the principles of industrial organization. They have made contacts that will cause them to better appreciate the principles underlying the control of large units and cause them to understand how to get results on a greater scale. They will also be speeded up to greater things, and will not be satisfied to settle down to the limited sphere of pre-war days. The results cannot but be helpful in advancing American industry to a more dominant position.

Probably the greatest result or the most far-reaching which will accrue from the experience of leaders in government service will be the keener appreciation of man power, and a broader understanding of the problems of human relations. How to get results from human beings has been one of the most serious questions in connection with carrying out the war program, and the majority of industrial leaders will return with a more wholesome respect for human effort, a keener desire to conserve human resources as well as a respect for the viewpoint of workers.

So far as the industrial leaders of primary importance are concerned, little need be said. Their number is small and in most cases their future is settled. With them it is mainly a problem of relinquishing their present duties, in order that they may be free for the carrying out of their plans for the future. It is among the leaders in the secondary and lower classes that the problems will arise, and so far as release is concerned, the requirements of industry will undoubtedly be subordinated to those of the military establishment. This, however, will be mainly a matter of method, and the policy adopted should move supply to demand in the most efficient manner and in the shortest possible space of time.

## United States Employment Service and Demobilization

By I. W. LITCHFIELD

WHEN without hint or warning the European War was suddenly terminated, even before the complex mechanism of our great war machine had begun to synchronize, we found ourselves in the position of the German commanders, who, having trained an army for offensive operations, found it extremely difficult to retreat. There was no indication that Germany would weaken for months, and indeed preparations had been made for a possible continuance of the war through a period of years. No one had contemplated or considered the stoppage of the production machinery, much less the reversal of some of its trains, and when the armistice was signed, it was with a distinct shock that we contemplated demobilization and reconstruction, with its new adjustments and changed conditions. Millions of men had been taken from industry and transferred to the army and navy. Millions more were engaged in production of materials that were not needed when hostilities ceased. Factories had been changed over for the production of essential war-time material, and large additions to the plants had been made. Washington was frankly in a state of consternation. Even with the most intelligent action on the part of governmental authority, a critical condition seemed inevitable. If the immediate peace-time demands were large enough and sufficiently varied to absorb the labor that would soon be released from war work, the problem would be merely one of adjustment, but if during the transfer it developed that there was a lack of confidence in the future, and there should occur the dreaded period of "marking time," only the wisest governmental management could prevent a period of stagnation. The most serious feature of the case was that a tremendous number of men ordinarily engaged in out-of-door work were to be thrown out of employment at the beginning of winter, when there would be little opportunity for them to work on farms, highways, railroads or building projects.

*In England a committee under the minister of munitions had been*

*studying reconstruction almost from the time the war began.* Very complete plans for redistribution of labor and allocation of materials had been made, and almost coincident with the signing of the armistice these plans were made public. No such study had been given to the matter on this side of the water. A short time ago the President had asked the Council of National Defense to make a study of certain phases of reconstruction, but the committee in charge had hardly had time to do more than make a rough survey of the field.

#### AGENCIES FOR LABOR DEMOBILIZATION

The agencies upon which the responsibility should rest for the demobilizing of the army and the proper allocation of materials, taking into consideration the needs of Europe, are the War Industries Board, in connection with the Food and Fuel Administrations and the War Trade Board, the Department of Labor and the General Staff of the Army. The United States at this moment stands as the industrial arbiter of the world. It represents a great public service corporation upon which rests responsibility for universal service. An essential part of the raw material and finished products needed in Europe must be furnished by this country. The obligation is chiefly an economic one, because if the loans to our associates are to be reimbursed, they must be placed in a position to earn and pay. It therefore seemed important that some governmental agency should determine how much material could be spared for European reconstruction and allocate the remainder that can be devoted to the readjustment of domestic industry for the requirements of civilian consumption. It seemed obvious that if a scientific redistribution was to be made it should be done through the agencies which had proved their worth during the time of stress, and which could be trusted to conserve our available supplies so long as such conservation might be needed. It also seemed obvious that the War Industries Board was particularly well equipped to supervise the redistribution of material in connection with the other war boards, because of its detailed knowledge of industry, and its intimate connection with every form of production. Unfortunately no announcement of such a redistribution committee has been made as this is being written. With the knowl-

edge and needs of industry indicated by the allotment of material, the Labor Department would be equipped to direct returning soldiers, and distribute the army of war workers in this country to peace-time occupations, provided the Secretary of War would recognize the industrial necessity and demobilize the army in accordance with the suggestion of the Department of Labor.

#### DEVELOPMENT OF THE UNITED STATES EMPLOYMENT SERVICE

Although the machinery of the employment service was designed to be ready for quick reversal, incomplete organization found it somewhat unprepared. The foundations for the structure had been laid throughout the states and some parts of it were practically completed, but it had only had half the time for construction of most of the other war agencies, and had not yet nearly reached its maximum efficiency. It was something of a war afterthought. A brief history of its development may be suggestive of its possibilities for post-war labor placement.

In July, 1917, four men having somewhat similar ideas on the subject of man power for the needs of war industries chanced to meet in Washington, and after casting their fortunes together for the purpose of securing men for the government and governmental contractors, looked about for a connection that would give them the proper scope and facilities. They were logically drawn to the Department of Labor, where they found sympathetic interest and attention, and through the coöperation of Secretary Wilson, founded the U. S. Public Service Reserve. A national organization was projected, consisting of a national director and associates in Washington, state directors, county directors, and enrollment agents in communities. The more important states were organized at once, and before the end of the year the organization was completed in practically all of the states, and the work of recruitment for the various governmental operations was well under way. In the meantime a great need for administrators, engineers and technical men had developed in Washington largely for commissioned men in the army and navy, and before the end of the year the original 6,000 engineers with which the reserve started, had been increased to 18,000, and a large number of these men had been placed in positions of responsibility.

The first important work of the reserve was entrusted to it by



the Shipping Board, through Mr. Hurley, who designated it as the agency to fill the needs of the shipyards. This commission covered the requirements of some 160 yards on both coasts, and as shortages developed in the needed trades, the 15,000 enrollment agents of the reserve became more and more useful. By this time the state machinery had become so well articulated that when on various occasions the army required many thousands of men for special induction purposes, the reserve was able to furnish them very quickly and exactly according to specifications.

The department had for some time contemplated the establishment of a national employment service, but had not been in a position to accomplish it. There were in existence about ninety departmental employment offices that had been created from time to time, primarily to place immigrants. Many of these offices were located at or in the vicinity of immigration stations, and although they had been used for placing common labor other than immigrants, they did not attract the higher class of artisans. In the spring of 1918 the employment offices were divorced from the immigration service, and the U. S. Employment Service was created. This organization was superimposed upon the U. S. Public Service Reserve, which had been in effect an employment service, for although its province was principally recruiting, it had of necessity done considerable placement. More than half of the state directors of the U. S. Public Service Reserve were immediately made directors of the U. S. Employment Service, and in states where the two were not identical, a close coöperation was established. The reserve was given the work of recruiting, while the employment service took charge of the placement as well as of such recruiting as it could readily handle. It is obvious that the creation of such a large organization in a short space of time brought about embarrassments and necessitated many changes, and that ideal conditions could not obtain everywhere. Neither was it possible at all times to work with the best coöperation where the director of the U. S. Employment Service and the director of the U. S. Public Service Reserve were not identical. In general, however, the operation of the service was very effective.

At the time the reserve was formed, one of its objects was to establish a system of scientifically operated state employment services, divorced as far as possible from politics and other con-

siderations, with national supervision, and so organized that it would be possible to get the statistics of employment and non-employment from every part of the country. Because of the practical nature of this information, an effective intra-state clearance system could be established, which would result in reducing congestion either of labor or work at any one point, and thus, to some extent, avert industrial crises. With national supervision and clearance, a perfect distribution of labor would be afforded, and the information readily at hand would be indicative to some degree of the country's needs. This would have an influence in directing apprentices to needed trades, as well as on the output of industrial schools.

When the employment service was formed there was but one state that had even the skeleton of a working system, and even this was very imperfect. At the present time every state in the union has a federal state director of employment, with a director of the U. S. Public Service Reserve in every county, and an enrollment officer in every community. The total number of federal employment offices in the country is now approximately 850. As the service was originally laid out, the country was divided into zones corresponding to the federal reserve bank zones. In each of these zones there was a district superintendent of employment who had general oversight of the states within the area of his jurisdiction, all under the general direction of Washington. In some instances this plan did not work well, as in the keen desire to expedite organization, some appointments of district superintendents were not agreeable to the state directors upon whom the brunt of the burden naturally rested. It was therefore decided to eliminate the district superintendents, and the district offices were made the clearing houses for fiscal matters within the zones.

Up to January, 1918, the U. S. Public Service Reserve had been privately financed. About that time Congress made an appropriation of \$250,000, to which the President added \$800,000 from his war fund, upon which the employment service was operated up to the first of July. About that time Congress made an appropriation of five and a half millions. As this did not occur until the middle of the year, and the pressure for results was serious, much latitude should be given for the errors that crept into the

administration of the service, due to the imperative need for quick organization.

Aside from the difficulties in organization, the service was under other very serious handicaps. Employers were not at all particular as to how they secured labor. Government contractors having cost-plus contracts were bidding against each other, and even against the government departments, advertising high rates of wages all over the country, and seriously disturbing industry. They presented extravagant requisitions to the employment service, and when these requisitions were literally filled were unable to take on the men secured. Men recruited before the materials on which they were to work were delivered were thus made to lose much valuable time. The food, sanitation and housing afforded at the camps of some of the large projects were beneath criticism. There was oftentimes bad management, which put the laborers under many hardships. "Soft" men, those men having had little past experience, were not given an opportunity to work into their occupations gradually, although there was a tremendous dearth of men and a need for conservation of human material. These, together with many other causes, produced a tremendous turnover of labor. There was furthermore a waste of time and money, caused by the transporting of men over long distances, while other contractors were bringing men in the opposite direction, so that the utmost confusion existed up to the time that the President issued a proclamation making it obligatory upon all employers of more than 100 unskilled laborers to secure labor through the U. S. Employment Service. This proclamation tended to stabilize the movement of unskilled labor throughout the country, and placed the burden of recruiting largely on the state directors.

In order to strengthen the machinery within the state, state advisory boards were created, composed of two men and one woman representing the employers, and two men and one woman representing the employes, with the state director of the U. S. Employment Service as chairman. In the larger centers community boards were established, which were advisory to the local employment offices and subject to the state director. These consisted of one man and one woman representing the employers and one man and one woman representing the employes, with the

manager of the office as chairman. The operation of the community boards has been in general most effective. There has been some necessary delay in making appointments and some delay in giving full instructions, but in connection with the state advisory boards it may be said that they have had a tremendous auxiliary effect on the service, bringing in the element of local interest and tending to increase efficiency.

It will be noticed that no restrictions were placed upon the securing of skilled labor by employers, and the abuses that occurred early in the war were many and varied. The worst factors were the advertising for workmen by the larger concerns having cost-plus contracts at wages much higher than contractors with straight contracts could afford to pay, and the stealing of men from government contractors engaged in war work. Through propaganda sent out by the employment service, and through the strenuous exertions of some of the state directors, employers who had been engaged in these abuses were shown that they were reactionary, and as the facilities of the service for furnishing skilled labor increased, the necessity for this sort of thing became less, and was largely done away with.

It will thus be seen that when the cessation of hostilities occurred, the employment service had an organization throughout every state in the Union, ramifying into every little community; an organization that had been tried out for recruiting purposes time and time again with great success, not only for the general requirements of war industry, but also for the military arms. The district organizers who had been assisting the state directors in organizing and instructing the community boards for the purpose of recruitment, immediately turned to the local problems of placement of returned soldiers and others, and in connection with the War Industries Board, paid secretaries were appointed to act with the larger community boards to insure effective work, and to keep the state directors and Washington fully posted on the conditions of employment and non-employment. On the signing of the armistice, the community boards were immediately asked by wire to make a quick survey of the opportunities for employment in various lines of work and communicate them to Washington for the information of the Department of Labor and the War Industries Board. The scope of this information is in-

dictated by the fact that the service has about 1500 community boards and about 850 local employment offices.

#### REVAMPING THE EMPLOYMENT SERVICE FOR POST-WAR NEEDS

The effectiveness of the U. S. Employment Service is shown by the fact that up to the first of November, 2,500,000 men had been directed to employment by the service, and at least 2,000,000 of them had found employment. Authentic figures were not available until the first of November, but during that month over 400,000 persons were placed by the service.

It must be remembered that the early work of the Public Service Reserve was largely confined to the placing of executives and professional men, principally engineers, in government service. The reversal of this work will require a very different form of organization, and plans are now being made for a professional section, with at least two zone offices, one in New York and one in Chicago, with facilities for directing men of higher qualifications to employment. The army will find out from its questionnaire how many of the officers desire to be assisted in securing business connections and give the information to the employment service. The new section of the employment service will be devoted to the work of placing these men, and through its state organizations can quickly ascertain the needs of employers all over the country. Undoubtedly some of this work will be done through the offices of the state directors, but the zone offices which will be operated in connection with the engineering societies will be in touch with all the principal opportunities, and will become the point of contact between professional men and concerns desiring their services.

As this article is being written, an exchange for teachers is contemplated. If the plans suggested are carried out, a close arrangement will be made with the U. S. Bureau of Education. A section for handicapped men is already being started, and at least six clearing house offices will be established by the time this article is published. Such a service has been maintained in the Chicago office, and during the last year 26,000 men, all of them crippled or otherwise handicapped by accident or infirmity, have been placed. Other useful lines of activity will be taken up by the service just as soon as proper attention can be given them.



It will thus be seen that even if the army is not disbanded with reference to industrial needs, the employment service will get quick contact with the discharged soldier, and is in position to secure employment if such employment exists. It will be further seen that with the addition of the special sections above indicated, the service will be rounded out to meet practically every need and will be the one central point of contact between the employer and employe from the highest to the lowest. The aim of the Department of Labor is now to improve this employment work, and give the highest type of service. Already the facilities of some of the offices that have proved highly useful are being extended, while others that will be unnecessary without the war emergency are being discontinued. Training schools are being established for examiners of skilled labor, and with the development of the work of the professional and special sections the number of zone offices will be increased as may be necessary.

It is the hope of those who have been instrumental in organizing the employment service that its operation throughout the states of the union, during the period of reconstruction, will so demonstrate its usefulness that their original aim may be realized,—that of a great national employment system, with the state as a unit, which will insure the best possible distribution of labor, prevent congestion, and reduce non-employment to a material degree.

## Lessons of the War in Shifting Labor

By JOHN B. DENSMORE

TO one who has struggled night and day for many months over the problem of mobilizing and demobilizing war labor there can be but one answer to the query suggested for the title of this article by the Editor of these *Annals*. Without an industrial army of from four to ten members for each soldier, military forces would be literally cannon fodder. Without food, clothing, shelter, transportation and ordnance furnished, not by levy upon occupied territory, but by well organized forces at home, the modern army is entirely helpless. At the lowest estimate made by statisticians, that of four industrial workers per fighter, our army of three and a half million was demanding in November, 1918, the full productive efforts of fourteen million persons, or two-fifths of the entire number of men, women and children computed to be engaged in gainful occupations in this country. To attempt to recruit and properly place this number of workers by any other than federal means, at the same time drawing from the ranks of wage-earners for the armed forces, would have been as impossible as to have left the formation of our army and navy entirely to private and state initiative. The need of a federal employment service for mobilization and demobilization is a lesson of the war that would seem to require no demonstration.

Yet the actual methods by which workers secured employment and employers labor before the war and in the early months of the war before appropriations were made for the government emergency employment service throw light on various phases of the general problem and suggest other lessons that are pertinent to the subject. The successes and failures of the United States Employment Service in attempting to use every available method and employment agency in recruiting labor as rapidly as our expanding war program necessitated, throw still more light and suggest other lessons that should contribute to any discussion of after-the-war handling of problems of employment measures.

Transfer of workers in this country has rested on two theories.

In one case labor, particularly common labor, recruited in large measure from the foreign born, was considered an article of commerce. Agents made it their business to provide so many laborers, with no questions asked as to methods of recruiting, and few of the fitness of the laborers. In order to lessen for the employer the costliness of this hit and miss method, there was developed a custom of having five or ten men for every job appear at the gates of the plant. By this expedient the better men, judged by superficial appearance at least, could be chosen. By this means with its obvious suggestion of current unemployment, unrest over wages and working conditions could be kept at a minimum. I do not mean to accuse the employers of this country of deliberately planning and carrying out over a long period of years a policy to exploit the workers. The system grew. Lack of adequate and scientific means of combatting unemployment for the worker and unfit supplies of labor for the employer fostered it. The continual increase in immigration rising from 114,371 in 1845 to 1,218,480 in 1914 fostered it. The shift of the source of immigration from the northern European countries to the southern, with a corresponding shift from men typically literate and individualistic to men who have usually come in without education and with some degree of docility to political and economic conditions, fostered it.

The other system of employment in vogue in this country was to consider the individual fully competent to choose his job and to find it for himself. Was he a farmer, and had the farming center of the country shifted from New England where birth had placed him, to Kansas or even to California? Let him read! There were magazines and papers and agent's pamphlets galore to enlighten him. If he acted on the advice of subsidized magazines and pamphlets written by unscrupulous men who had never seen the land described, it was the individual's misfortune or lack of judgment. Was he a building contractor, marooned in a section that must spend a decade recovering from an ill-advised "boom"? Probably some fellow craftsman would sooner or later drift into town and tell him that Pasadena or Kalamazoo or Richmond, Indiana, would "offer big money to a man of his stripe." The cities of this country have been full of this type of employment information and misinformation. Saloons have been com-

mon centers of dissemination. A huckster plying his trade eleven months a year in St. Louis, on mere hearsay after a period of family misfortune, made his way to Minneapolis, where long winters make the street sale of foodstuffs unprofitable for many weeks. The number of serious-minded wage-earners who have annually followed such will-of-the-wisps is incalculable. Casual inquiry among the wage-earners in any city at any time, but particularly in an era of rising cost of living, would disclose a large number who had come or were about to depart with only mouth to mouth information on which to go. Inquiry among the unemployed would naturally show a still higher percentage of reliance on this flimsy and inaccurate information. Secretary of Labor Wilson pointed it out as a basis of unrest and unemployment when in a hearing before the Committee on Labor of the House of Representatives in 1916, he spoke in favor of a bill to establish a national employment bureau,

It is obvious that either method of employment cited, that of using an agent whose one interest is in furnishing a given number of workers at a given time and place, or of leaving the entire problem to individual initiative, is hopelessly inadequate, and that the burden of this inadequacy falls most heavily on the man who is least prepared to bear it. The honest uneducated wage-earner, whether immigrant congregated with his fellows in a city or American isolated in his native village, deprived of information on the location of suitable employment, may become a malcontent, a drifter, a loafer or a tramp without making known to the world the cause of his ruin.

Many attempts have been made by individuals, institutions and states to remedy the existing situation. Some of the fee employment bureaus have been run on an honest, even non-commercial basis. Many of them have done good work in a limited field. Others, even those which operate in well-kept offices and made every attempt to fit worker to work are leeches on our economic life. The seasonal character of their work may explain why it is necessary for a teacher's agency to charge \$80 for the half-dozen letters, interviews and telegrams used to place a teacher at a salary of \$800. It does not prove that the procedure is not costly out of all proportion.

Within the limits of their jurisdiction many states developed



more or less efficient bureaus. Where these services failed to be effective the failure has characteristically been due to limitations inherent in a state institution, namely, in the fact that the industry is not state delimited, and that few if any states can afford adequate supervision by highly trained, highly paid executives.

Organizations and institutions have in many cases organized employment systems that are thoroughly honest and that have the value of technical knowledge of what they offer. The chief disadvantage of this type of employment information lies in the narrowness of its field of inquiry. It is difficult for the vocational director of a literary college, perhaps carrying on her work after teaching hours, to keep in touch with fields other than teaching. It is not expected that the bricklayers union shall be able to furnish information to a member or a member's son who wishes to become a plumber.

A federal employment service was in existence at the beginning of the war. Created during the financial depression of 1917 to correct some of the evils of unregulated immigration and the contract system, it existed until 1917 with only one office, that at the chief port of entry, New York. Since that time it had been allowed gradually to expand geographically and in the scope of its work, although still nominally a part of the Bureau of Immigration, and attempted to meet its stupendous problem with an annual outlay of a few hundred thousand dollars. When in December, 1917, the production bureaus of the government studied the labor employment problem from the angle of the war needs, there were some ninety offices in as many industrial centers which had in the past year placed 283,000 workers. The Employment Service had hardly scratched the surface of the problem of war labor. Every one of the government departments and every corporation engaged in the production of material for government use felt its individual responsibility for getting results and they went out into the market for men no matter what the cost and no matter what effect it might have upon other industries that were equally essential in the maintenance of the war.

The lesson was obvious. A federal system with a hopelessly inadequate budget was useless for the emergency. In October, 1917, the Urgent Deficiency Bill approved an appropriation of \$250,000 for the United States Employment Service. In Jan-



uary, 1918, the President gave from his fund for National Security and Defense \$825,000 and the United States Employment Service was made an independent bureau of the Department of Labor. It had not, however, power to enforce its policies. It had, in the minds of such persons as knew of it, a reputation for distinctly limited service to overcome. It developed offices, personnel, policies and interstate systems of clearance for war labor as rapidly as possible. The immensity of the territory of the United States made the building up of such a system in so short a time tremendously difficult. It had to compete with unscrupulous fee charging agencies and with determined labor grabbers for employers which were fattening on the labor shortage and encouraging labor turnover.

A survey of industrial conditions soon after the Employment Service had begun to build up its machinery, while at the same time trying, as one member of our staff expressed it, "to pull a 1918 load with an 1812 model engine," showed that chaotic competition between the different branches of the national government and between private employers had seriously lowered production. Thousands of private employment agents were continually luring workers from one job to another. Men employed on government work in Buffalo were transported to another government job in San Francisco, only a week later to be carried back to Boston. This anarchy of employment manifestly served the welfare of none: Workers and their families suffered from being ever on the move. Employers were injured because of the inescapable waste due to an extravagant labor turnover. The nation itself was hurt because under these circumstances human energies which might have been directed toward victory were vainly expended in a futile search for the achievement most desired by the government.

Again the lesson was obvious. Without the force of law or coöperation due to enlightened opinion behind it, the Employment Service might still fail in its task. The President by proclamation agreed upon a plan termed "central recruiting." All production departments of the government—the Army, the Navy, and the Emergency Fleet Corporation—bound themselves to employ unskilled labor only through the United States Employment Service. War contractors were enjoined by the President to pursue an

identical policy. Others were asked on the basis of patriotism and good sense to do the same thing. The War Labor Policies Board, composed of representatives of the War, Navy, Labor, and Agriculture Departments, and War Industries Board, the Shipping Board and the Emergency Fleet Corporation, and the Food, Fuel, and Railroad Administrations, presided over by Felix Frankfurter, an assistant to the Secretary of Labor, announced furthermore that any rare recalcitrant employer who refused to cooperate with the government would be penalized. The War Industries Board, with its control of raw materials, the Army and Navy, with their control over contracts, afforded ready means of making the national will effective.

Compulsion was not sought. An appeal was made to the patriotism and to the intelligent self-interest of all concerned. The anarchy of a continuous stealing of labor from one organization for another clearly was profitable to none. It was accordingly an easy matter to obtain unanimous support for the policy of central recruiting, or of the national distribution of the labor supply of the country. Representatives of union labor and of organized management were parties to the discussions and to the negotiations, and each sanctioned the ultimate solution.

The full effects of this practical monopoly of labor placement cannot be measured directly. Central recruiting of common labor for war work was undertaken August 1. In order to facilitate the supplying of labor to the more important projects, recruiting of less than one hundred laborers was temporarily permitted by war employers and non-war concerns. Plans for the extension of central recruiting of skilled labor and woman labor were under way when the armistice cut short war plans. Some indication of the potential effectiveness of a comprehensive federal system of employment offices may be gained from the following figures. From its reorganization last January until the signing of the armistice, the United States Employment Service directed to employment, almost entirely in war industry, including agriculture, approximately 2,500,000 workers. It also increased its local employment offices from 90 to 900 in the same period. These figures represent an increase of about 1000 per cent in both labor finding activities and in the establishment of local employment offices.

The steady rate at which the service has grown in extent and accomplishment is indicated by the fact that in January last 16,642 persons were sent to jobs while during the week ending November 2, the last week but one of war conditions, 162,754 workers were directed—a rate of 650,000 a month. Returns made by employers and workers show that approximately 2,000,000 of the 2,500,000 workers directed were placed. It is impossible to know how many of the balance were placed, owing to the failure of some employers and workers to notify the service of the acceptance of workers or jobs. These totals are proof that the Employment Service has made good. For at the outset of the reorganization it was estimated that the war industries of the country would require between 2,000,000 and 3,000,000 workers up to the end of 1918. Moreover, it was not simply a case of directing to war plants applicants at the local offices of the Employment Service. The service has had literally to “dig up” men from non-war work and help reduce “turnover,” the agencies chiefly being the paid agents of the employment service, the volunteer agents of its Public Service Reserve, and more recently, the community labor boards. Patriotic help was rendered the agents and boards by employers and employes and their organizations.

Statistics on the shift of labor by industries based on these figures would be worthless because the United States Employment Service is not a monopoly in the sense that the Postal Service, or even the Railroad Administration is. The control of the shift of war labor was, however, complete enough during the last three months of the war to allow some errors and successes of method to appear. Chief among the errors, as has been pointed out, was the lack for many months of a centralized agency which could prevent a viciously large labor turnover. Another error inherent in any system that does not specifically guard against it was the recruiting of men unfitted for the work they wished to do. Many men, recruited under the federal system as well as in the early months of the war by private agencies, were sent hundreds of miles upon false or mistaken declarations of their abilities and training. In the case of the United States Employment Service this lack was recognized and a series of trade tests and uniform trade terms prepared, in coöperation with the Committee on Trade Classification of the War Department. This material is

completed and ready for use in the important task of replacing labor after the war where it most properly belongs.

Transportation conditions during the war, with the unexampled strain put upon our railroad systems, and the necessary focusing of men and supplies upon the Atlantic seaboard, make impossible any statement of "error" in the attempt to concentrate labor for war production in the eastern states. It is significant, nevertheless, to note that the various war production and industry bureaus of the government were in the fall months engaged in a survey of all important industrial centers regardless of location, and had in contemplation a wide extension of the geographic area in which war contracts should predominate. Significant in this connection is the difficulty the Employment Service had in some mid-western industrial localities in securing the full force of favorable public opinion. "We are entirely willing to undertake war work," was the explanation of many employers in these sections, "but why should we who have our materials curtailed because we cannot, for geographic reasons, secure war contracts, now give up perhaps permanently, our labor supply? We understand why the boys must be sent to France. We don't see why they and the girls as well must be herded into Eddystone, and Hopewell, Bridgeport and Bethlehem, while we pay taxes to build houses and create costly, temporary towns there."

Foremost among the successes of the war labor recruiting efforts stands the fact that while concentration of war production was the policy, labor could be recruited from other states as far distant as need dictated. It seems safe to say that several important projects were located convenient to transportation and supplies, which could not have been so located unless an interstate system of labor recruiting had been in existence.

Another obvious success of war shifting lies in the closely related movements known commonly as training and dilution. While these subjects are not directly under the supervision of the Employment Service, they are closely connected with its operation. An impetus has been given to the promotion of unskilled and semi-skilled to skilled workers by intensive training that ought to be of permanent value in our industrial development. Now that the provisions of the Smith-Hughes Act make vocational training of our boys and girls a practical and attainable ideal, the shifting of



pupil to worker can be made far more scientific and therefore permanently satisfactory to employer and employe than the old haphazard methods of job finding and of promotion within the plant allowed.

Similarly the scope of women's work and the methods of training her have received impetus. Women have been shifted into an—before the war—unbelievable number of so-called men's occupations, and have in many cases succeeded in learning processes, in keeping up or bettering output records without, so far as present indications show, physical or mental harm in the majority of occupations undertaken. In the metal trades alone, I understand the number of new processes they have taken up runs well over a hundred. How far these women workers can continue to be shifted to more and more highly skilled processes is an unsettled question. The war period was too short to indicate more than success in repetitive, easily learned work in most cases.

Although it is too early to draw any final lesson from shifts of labor during the weeks which have followed the armistice, I cannot refrain from referring briefly to the labor adjustments already made. There was no ministry of reconstruction in this country with a far-reaching program for meeting the emergency. Congress had nothing more definite than a plan for a bipartisan committee yet to be appointed. Even the organized labor element had no definite platform of demands, such as had been prepared and given wide publicity in England. The armistice caught America industrially unprepared for a shift from a war to a peace basis. Notwithstanding this fact, industrial unrest and unemployment have not been evident. There has been no panic.

With these two facts in mind, the lack of an accepted reconstruction program and the absence of the confusion and industrial disturbance which might have been expected to follow the armistice, it seems only wise to credit the agencies which immediately put into action such industrial demobilization machinery as is in use. Two such agencies have been operating. The first is composed of representatives of the United States Employment Service, the War Industries Board, and the production departments of the War, Navy, Shipping Board, and other bureaus which had power to cancel war contracts and indirectly release civilian war workers. These men have been in daily conference. With telegraphic reports from the industrial centers of the country to guide them,



they have held or released contracts in such a way as to stabilize conditions of labor and material shifting.

The other agency also includes the United States Employment Service. Its members represent the morale, personnel and demobilization divisions and the committee on special training of the War Department, the Federal Board of Vocational Training, and the national organizations which have been a part of or have done similar work to the Commission on Training Camp Activities. Agreement has been made to develop throughout the country, wherever any of the agencies has representation, a connection with the United States Employment Service for the return of soldiers and war workers to the industries of their communities however small or remote, and to build a sane strong opinion among employers for their return. The Council of National Defense, in particular, has directed the full force of its machinery, national, state and local, to this end.

The success of these two plans for demobilization which have their center in Washington is dependent upon state and community-organized forces for its development. In each state there is an advisory board to the director of the United States Employment Service made up of representatives of management and labor. In sixteen hundred communities there are similarly constituted community labor boards, locally chosen. Industrial reports on which the War Department and War Industries Board act are telegraphed in from surveys made by these community boards. Community boards are the agencies through which all efforts of local, civic and welfare organizations operate in aiding the return of soldier and war worker to industry. The plan of the United States Employment Service is therefore not paternalistic or compulsory. The machinery of the government is utilized for the development of policies in keeping with national needs and for the clearance of accurate information. Operation of the plans offered and use of the information furnished is a state or local affair. In the first week of operation of the plan of furnishing industrial information more than 90 per cent of the reports were received on time. The trial that has so far been made of the actual demobilization machinery through community boards and coöperating organizations gives promise of very effective work as numbers of the demobilized increase. It gives promise as well of forming the basis for a new and more efficient vehicle for public-spirited action than has hitherto been devised.

## The Extension of Selective Tests to Industry

By BEARDSLEY RUMI

THAT modern warfare requires the mobilization of the industries of a nation has become a commonplace of our thinking. Scarcely less familiar is the notion that an army itself is in a very real sense an industrial unit,—industrial in that like industry it must meet and solve problems of fabrication, maintenance, transportation and distribution. Like industry, the army found the solution of these problems to depend to an important degree on the effective utilization of available skilled personnel, and in order that jobs requiring men with special qualifications might be acceptably filled, the army created within itself a body with functions like that of the employment manager of industry, that is, functions of bringing man and job together with due regard to the qualifications of the former and the demands of the latter.

The problem of bringing jobs and men together fell naturally into two main parts, one related to the job, the other to the man. Concerning the job it was necessary to discover just how many men of specific skilled occupations should be distributed to each military unit, and further to state the qualifications that the name of each occupation implied. For example, considerable difference of opinion existed on the duties of a wagoner,—does he make wagons, repair wagons, or does he drive them? The study of army jobs yielded first, the *Tables of Occupational Needs* which specify the skilled complement of military units, and second, the *Trade Specifications and Occupational Index* which describe the qualifications that are implied by army trade names.

Concerning the man, it was necessary to find out his physical, mental, educational and technical qualifications and to make the record of these qualifications instantly available for use. This record which was prepared for practically every man in the army was known as the *Qualification Card*. It is evident that the whole scheme of fitting man to job depended for its success on the accuracy of these records, and consequently some interest attaches to the methods by which the qualification card of each individual

was prepared, and to the ways that similar methods might be used in industrial placement.

In determining the qualifications of men coming into service, the army used the physical examination, the interview, the intelligence test and the trade test. The interview and the physical examination are familiar devices to the employment manager, and so, although there are many points of interest connected with the use of these methods in the army, little more will be said about them here. The intelligence test and the trade test are probably more novel; certainly they have not come into general use as yet in industry.

The army intelligence tests were devised and used by the army so that information concerning each man's mental alertness might be at hand to aid in assigning him to duty. The actual form which the tests took was determined to a large extent by several aspects of the army situation. In the first place the tests had to be given with great speed. It was not uncommon to test and to report on 2,000 men within a space of twenty-four hours in a single camp. In the second place the tests were scored by a staff that was of necessity continually changing. And finally the method of testing had to be so adapted that men who could not speak or read English might be satisfactorily rated.

To meet this situation a system of three tests was in use: first, a test for men who could read English, a test so constructed that it could be given to groups of as many as 500 individuals at one time; second, a test which could be given by the group method to men who could not read English; and third, tests which were given to men individually to establish the fact of mental deficiency or to give a clue to abnormal mental conditions. The individual tests were used primarily for those men who gave an indication of mental defect in the group tests or for men who were sent by commanding officers for special examination.

The group tests were eight-page pamphlets, a test to a page. The tests were so prepared that it was unnecessary for the soldier to write a word during the entire test, the responses consisting entirely of digits, of check-marks, and of underscoring words already printed in the test. The group test for those who could not read English could be administered wholly without the use of language by means of charts and gestures.

As a result of these tests each man received a rating: A for the very superior; B for those decidedly better than the average; C+, C, and C- for those of average ability; D and D- for the inferior; and E for those who did so poorly in the test that arrested mental development was suspected. Whenever mental defect was indicated, confirmation was always sought through individual examination. The letter indicating the class which a man achieved was posted at once to his qualification card, and this information was then used in assigning him to duty in the army.

The ratings of mental alertness were useful in three ways. In the first place they indicated those individuals of such inferior mental ability that their presence in a unit would retard training to a prohibitive degree, men who might even become a menace to the unit in critical situations. Such men were either assigned to routine tasks which they were competent to perform or they were discharged from the army. In the second place, the ratings showed men of superior grade who might be considered for advancement. They pointed out to a commanding officer certain individuals for his special observation, sometimes with startling results. In the third place, the ratings were used to equalize the alert and the sluggish in the companies of a regiment. It was found that if men were assigned to companies in a hit or miss fashion so far as mental ability was concerned, some companies of the regiment could be trained with great speed while the training of others seemed impossible. It was found that these differences were paralleled by differences in the average ratings of the companies, and after shifts in personnel were made which equalized the average intelligence ratings, the training of the regiment as a whole proceeded in a decidedly more satisfactory way.

The intelligence tests have demonstrated their value as an instrument for placing men in the army. On what basis were these men placed? What is the mental trait that the tests measure? A bulletin published authoritatively states that "the rating a man earns furnishes a fairly reliable index of his ability to learn, to think quickly and accurately, to analyse a situation, to maintain a state of mental alertness, and to comprehend and follow instructions." This is what is popularly called mental ability or general intelligence. We may safely say that mental ability is



one of the qualifications that needs to be scrutinized in placing men in the army; and that the army intelligence tests have measured this trait with sufficient accuracy to make them of real military value.

The uses made of intelligence tests in the army suggest that similar tests might be of considerable value to industry. The first use that at once suggests itself is in relation to hiring. Mental alertness is clearly an attribute that brings about success or failure at different kinds of work, and the employment manager who will inform himself of the amount of intelligence that various jobs require can assure himself that each applicant is at least intelligent enough so that he will suffer no handicap in becoming a satisfactory employe because of a slow or retarded mentality. The converse is also true, that applicants of superior intelligence need not be hired for positions in which high mental ability may be either unnecessary or misdirected.

The usefulness of intelligence ratings only begins with the hiring of the applicant; they may be of considerable importance in readjustments in the working force itself. Clearly in slack times when the laying off of groups of men becomes imperative, care might be taken that mental ability in its relation to productivity be given its proper weight in deciding which individuals shall stay and which shall go. In conditions where the manufacture of a new product involving new processes and technical operations is begun, those men on the present force whose mental alertness gives indication of quick adaptability to new work and unfamiliar situations might be selected. When it is desired to select or to encourage certain of the less skilled operators to study in the company's technical schools, better results would be obtained by choosing those whose intelligence rating gives promise of quick learning and an appreciation of the advantages of special training.

The practical applications of intelligence tests so far mentioned are perhaps fairly obvious. A further use, somewhat less certain of immediate value, is suggested from the value of army intelligence tests in balancing the companies of a regiment. Suppose care were taken to keep the various operative units of an industry well balanced, not equally balanced but balanced in the sense that each operative unit consist of individuals of proper intelligence for the job. This means shifting the mentally slow



from positions involving quick judgment, adaptability and mental resourcefulness; it means also removing the mentally alert from work that is of a dull routine nature, unvarying, tedious, calling in no way for the full exercise of the capacities of an intelligent workman. It is conceivable that such balancing would not only be profitable from the point of view of immediate production, but that a major cause for industrial unrest and discontent would be attacked. Certainly the mentally slow derive little but worry and uneasiness from work that lies beyond their power of intellectual adjustment; certainly also the mentally alert feel the futility of jobs that are lacking in creative interest for them.

Great care must be taken to make sure that any intelligence test proposed for use in industry is really able to do the work expected of it. There is danger that inexperienced enthusiasts, wholly unconscious of test technique and test limitations, will offer broadest panaceas for all the difficulties of mental measurement. It should be remembered that the army intelligence tests measure general mental ability, not specific mental traits. It should also be borne in mind that the success of the army tests was due to the great range of mental ability received by the army. Parallel results have never been achieved where tests have been used as a selective agency on a group of relatively small intellectual range. Further, the army tests determined as they were by the fixed conditions of military affairs are probably not the most satisfactory kind of tests for industrial use. It is impossible to go into detail in the discussion of pitfalls;—the purpose here is only to warn the industrial manager who is inclined to see a use for intelligence ratings in his industry that all which savors of dogmatism, inexperience and charlatanism should be avoided in this very difficult phase of employment work. So much for the intelligence tests.

The army trade tests are quite a different story. Among the various items which were recorded on each soldier's qualification card were the very important ones concerning his occupation in civil life and his proficiency in these occupations. The information on these points was at first extracted by means of an interview. It was soon discovered that the interview was unreliable, not hopelessly so by any means, but just unreliable enough to give cause for trying to improve the system. The reason for the in-

accuracy was not lack of training on the part of the interviewer; it was rather the weakness that inheres in the best conducted of interviews. Soldiers, like all men, are unable to judge accurately of their own ability; sheer mendacity was fairly prevalent, especially when there was a tip that this trade or that was required in France; and honest misunderstandings were frequent. An amusing case is that of a carver of Meerschaum pipes who was assigned to work on a sewer at one of the camps. His qualification card showed him to be a "pipe cutter" and he had been classified as a plumber.

Trade tests seemed to be a way of bettering the situation, tests that would check up a man's statement of what his occupations were in civil life and of what he claimed his skill to be. As in the case of the intelligence tests, trade tests had to fit into the army scheme of things. This meant that they had to be given in a short time, not to average more than ten minutes per test, that they be given by examiners who might have no knowledge of the trade whatever, and that they require none of the expensive machinery and equipment that is the complement of most trades. Aside from these requirements imposed by the military situation in which the tests were to be used, it was imperative that the tests give bona fide measures of occupational skill, and that they give these measures in such a way that a journeyman plumber would be rated a journeyman plumber no matter from what part of the country he came or to what camp he happened to have been sent. Uniformity of rating from camp to camp was absolutely essential.

Army trade tests were devised to meet these conditions. Doubt that such tests could be made is frequently expressed by people who know the difficulties of estimating trade ability and of securing uniformity of rating from different examiners. In preparing a test for a trade, the trade was analyzed, not merely to find out the kinds of jobs that are done, but also to discover bits of information that might be peculiar to the trade and to pick up characteristic terminology that might be diagnostically significant. The elements of information, judgment and skill which were discovered by this analysis were then put into a form that could be administered and scored by an examiner, unskilled in the trade but trained to test; they were then tried out on apprentices, journeymen and experts who were actually on the job in industry. Novices were

also examined to make sure that a score could not be made through high intelligence in the absence of trade skill. More than a hundred persons were tested in the preparation of every test. As a result of this try out, the elements which had the highest diagnostic value in detecting trade ability were selected and put in the form of an army trade test. Since each element could be scored, a total score in the test could be found by adding up the points made on the elements. The degree of trade ability could be accurately inferred from the total number of points scored in the test.

Army trade tests have been of value in determining the skill of men professing to be tradesmen. They have indicated technical ability in such a way that uniformity of rating was gained in all the camps where trade tests were used. The trade test rating was the basis for a soldier's assignment to duty requiring specific trade qualifications; it was the basis for choosing which men should be sent from one camp to another to make up shortages of skilled personnel. Entire organizations have been torn to pieces and rebuilt as a result of information gained through trade tests. This was true especially when requisitions calling for skilled men for immediate duty overseas ordered that these men be trade tested before they were sent. The army trade test has thus been successful in its determination of technical qualifications which were to be the basis for military assignment.

Several applications of the trade test method to industry are suggested from its uses in the army. The three phases of employment work that seem most immediately concerned are hiring, transfer and training. Trade tests have an immediate and obvious use in industry in aiding in the selection of new employes. They are the natural method of securing very essential occupational information, of ascertaining whether this particular applicant really has the skill that his age, experience record and last wage seem to indicate. Certainly a direct method of measuring trade ability is to be preferred to an indirect method of inferring it.

Since trade tests can be constructed which will measure proficiency in the various activities that are commonly implied by the name of an occupation, they would be valuable in all matters involving shifts in the working force. A knowledge of each man's strengths and weaknesses within the broad range covered by his

trade would make more intelligent and less uncertain the transfer of particular men to different work. The trade test rating should also be one factor in determining which workers should be retained in dull periods, for the nucleus that is left in the industry after the cut is made is the corner-stone of the new operative unit. It is important to know that from the technical side the stronger elements of the old unit are included in this foundation.

The information that would be given in the trade test record is intimately connected with the educational program of an industry. Isolated weaknesses in the chain of an individual's technical strength may be removed. Furthermore, a systematic program directed to prevent stagnation on the job would give to industry an increasingly flexible and effective working force and would give to the worker the pride in his skill which comes from watching its continuous growth.

A further suggestion comes from the fact that standardized trade tests have been producing uniform ratings of ability for the army, ratings that were equivalent in all parts of the United States. If, through the use of tests, such uniformity of evaluation can be gained from place to place, so also can it be gained from month to month. Trade tests thus offer a means of securing fixed standards of technical proficiency which signify the same thing in December that they did in June. Such standards can be used in specifying definitely the degree of skill required in various positions, and in assuring that employees who are taken on from time to time measure up to this fixed standard. An unchanging scale in terms of which degrees of ability can be stated would also make possible the determination of the sum total ability in the working force of an industry. Such an evaluation of available skill would reduce one of the intangible assets of business to a tangible one, with consequent increase in the significance of all thinking involving this phase of industrial fact.

Again the warning against the amateur must be sounded. Not even the trade tests used so successfully in the army are capable of yielding the results pictured above. Only through experimentation will the ultimate goal be reached. Army trade tests have done their part in pointing out the way which may be followed.

The intelligence tests and the trade tests are part of one technique. Both have for their function the measurement of phases of



human qualifications that are vitally important in the selection of employes, in their assignment to work, in their transfer from department to department, and in further education and training. The intelligence test gives a rating of general mental ability; the trade test gives a rating of specific technical skill. The two together picture an individual's status in those traits which most definitely condition his effectiveness in industry.

In the army, the tests have been used to supply jobs with proper men; the placing of the individual man as such was not and could not be the matter of immediate attention. Yet because of the fact that selection was based on qualifications, on this point the general confidence of the rank and file was achieved. So also in industry a scheme that promotes the utilization of men on work for which they are fitted will result in increased productiveness of the shop and increased contentment of the working force. Intelligence tests and trade tests give promise of becoming methods of considerable importance in our industrial life. The army has accepted the employment methods of industry and has pushed ahead; industry will ultimately receive whatever of this advance proves in practice to be real progress.



## War's Challenge to Employment Managers

By JOSEPH H. WILLITS

THE last ten years have witnessed a phenomenal growth in interest on the part of employers in ideas of personnel and the problems connected with personnel work. The war stressed these problems as they never before had been stressed. The assembling and organizing of an army, the development of large munitions plants, the shutting off of the stream of immigrants—these factors alone caused a sudden shifting of workers to new centers; absorbed the surplus labor; and resulted in the barest industrial period America has known since the Civil War, if not before.

Under such conditions, arguments were not needed to direct attention to questions of personnel. That firm which ignored its employes, or which did not appreciate its employes and express that appreciation in concrete substantial ways, simply did not secure the men with which to carry on the work. In most cases it has been the establishment of or the expansion in size and responsibility of the "Employment Department," which has measured the new interest on the part of the plant managers, since it is this department which first and most naturally comes into personal relations with the workers.

The approach of peace has altered somewhat the nature of industry's personnel problems; but it has not diminished the importance in the slightest. Few informed persons will agree with the president of a large shipbuilding company, who, upon the signing of the armistice, declared that there was no longer any serious labor problem as there would soon be two men for every job. Many persons will appreciate the grasp on the real state of affairs shown by a man who is in charge of all manufacturing for a chain of twenty-five plants. He told one of his superintendents that his twenty-five years' experience had indicated to him that the greatest danger to a manufacturer lay in his experience. In other words, he who forms conclusions solely from his own experience has a mind that dwells chiefly in the past; and such a mind has not

the present facts nor farsighted judgments ready enough at his command to meet the new changing difficulties of today.

The chief difficulty with which personnel managers will have to deal after the war arises from the psychological effects of war. Patriotic considerations no longer submerge the individual interest. Individual welfare is again dominant, with aims stronger than pre-war desires partly due to economic changes and partly a reaction to war suppression. This individual objective in industry leads to an even more important element to be considered between employer and employe. The war has stirred up a consciousness on the part of both classes of the different aspects of their relationships. The theoretic status of each may have been very little altered, but the intensity of the beliefs of each class has been deepened.

At one extreme we have the Bourbon employer who holds that the events of war have justified his previous beliefs as to the essential depravity and unreliability of American workmen. He sees evidences that wages have risen rapidly and that output per man has decreased. He assumes that any attempt to improve wages or working conditions will always result in reduced output, and should be frowned upon. He is familiar with a few cases of shiftlessness from which he draws general conclusions. And Russia! Russia is his answer to all arguments. It proves the straits to which we will be subjected if we do not rule with a firm hand untempered by a regard for social theories.

At the other extreme, but really similar in mental attitude, are what may be called the Bourbons of labor. They have become easily acclimated to the destructive nature of war. They believe this gives greater opportunities to the masses and they would keep this element as a tool. Theirs is a demagogic short cut to salvation. This destructive philosophy runs close to the obstructive philosophy of the Bourbon employers.

Fortunately, these noisy groups do not include all employers or all employes. Hope lies in the liberal constructive element in each party. Among employes, this attitude is represented by most of the affiliates of the American Federation of Labor and by the majority of unorganized American workmen. These men recognize that the war has been fought to establish political democracy; and they perceive clearly the logical implications for

industry. But this group needs (or seeks) practical means for coöperation. It recognizes that large production is desirable and that democracy should be obtained without sacrificing efficiency of administration. We have not yet succeeded in combining political efficiency and political democracy, and to this end constructive, coöperative methods of control must be sought.

The corresponding group of liberal employers may, broadly, be said to include those who have sincerely endeavored to give careful, scientific attention to the subject of employment management.

The great majority of American employers and workers and citizens are neither consciously Bourbon nor Liberal. In this fact lies the responsibility and opportunity of the liberals of both classes. If the liberals are able, sound in social theories, sufficiently on their job, they can win this unattached majority to the liberal constructive course. If they do not make progress fast enough, the consequences of an obstructive destructive régime in this country will be upon their shoulders.

In connection with this responsibility, employment managers will be called upon to deal with certain specific situations. Within the next twelve months will be the demobilization and reemployment of nearly four million soldiers. No great West remains open to absorb them, as it did the soldiers of the Civil War. There will be the shifting in employment of perhaps twice as many munitions workers. It is no great reflection against the United States Employment Service to say that it will not be able to handle the task. But if all the employment departments in the country which are laying off people would constitute themselves temporarily into branches of the government service, unemployment and its hardships would be considerably lessened.

But this is simply one of the post-war problems of employment management. For instance, I do not know of any time when it has been more essential to retain personal relations. No plant should say that it is too big for its employment department to maintain personal contacts; for it is vitally important in view of the problems ahead that this contact between liberals should be held. There is the unquestioned fact to face that the individual output of many workers has been lessened by psychological causes during the war.

It is idle to attempt to catalog post-war personnel problems.

It may be taken for granted that with the impetus personnel interest has assumed in industry, most of these questions will be faced as a routine part of good competitive business by most enlightened concerns.

The real challenge of the reconstructive period is the extent to which employers can appreciate and act upon the logical industrial implications of the war. The war has taught that excessive authority cannot safely be left in the hands of any one group. In industry, it is not enough to say that ultimately bad owners and managers who hold their position through inheritance or undeserved influence will be crowded to the wall; and that only the real leaders with positions based on service rendered will remain. The process takes too long. In the absence of fair inheritance taxes and without a radical change in human nature, such unresponsive managements will persist. Therefore, the problem of enlightened personnel management now is to utilize forms and devices and safeguards of coöperation and control which will insure democracy, and at the same time not interfere with the necessities of competitive industries. Wages, the status of the worker, continuity of employment, working conditions, and social life of the workers, and the disposition of "surplus profits" are the subjects in which the worker has a legitimate interest in the working out of which he must have a share. To the extent to which liberal management successfully combines with liberal employes in arriving at mutually satisfactory forms for the carrying out of the above purposes, to just that extent will the neutral body of opinion be drawn to the liberal and constructive program—away from the destruction and obstruction program.

## Housing and Transportation Problems in Relation to Labor Placement

By JOHN IHLDER

ONE of our national weeklies, in an interpretive account of the reconstruction conference held by the United States Chamber of Commerce at Atlantic City in December, 1918, found the basic reason for the liberal attitude of the thousands of employers there assembled a fear of labor. This did not mean that employers have not reached their present attitude of mind by way of enlightened self-interest, that there has not been a leaven of genuine altruism to hasten their rising. Nor does it leave out of account that the employer is unconsciously going with a great tide in human affairs. After the French revolution the tide of interest in community affairs, in the affairs of our neighbors, ran out. Decade after decade we became more and more convinced that the salvation of the world lay in individualism. The less government the better government; the poor are the victims of vices for which they individually are responsible; the employer's responsibility ceases at the factory gates. So the tide kept running out until it left bare the ill-smelling mud flats of our slum areas, and all that those areas typify. Then slowly the tide began to turn. Even the most successful individuals could not continue to believe absolutely in individualism when its bad effects became so manifest. So they founded associations for the improvement of the condition of the poor. The roots of nearly all our great social organizations run back to that time of benignant lords and ladies bountiful before the middle of the last century when, despite his convictions, man was beginning to see that he could not be saved by individualism alone. Then appeared in England, where individualism had been most loudly hailed, Charles Dickens, whose novels were social tracts sugar coated; Octavia Hill, leader in the early days of the charity organization and the housing movements; and various "good" lords of high degree who sponsored social legislation of a tentative kind—the nobility responded more rapidly than the wealthy bourgeoisie. Then appeared also Karl Marx, whose methods were different. But



whatever their ideas, all had their part in turning the tide which today is running strong toward community interest and community control. Whether they would or not the employers at Atlantic City must have been borne along by it, but their reason, their self-interest or their fear, will cause them to make better progress by swimming than they would by floating.

It is this world-wide tide of community interest, strong enough even to affect the conduct of the great war, overcome national prejudice, and perhaps make possible a league of free nations, that is leading us to study such things as housing and transportation problems in relation to labor placement. A few years ago such a study would have been deemed theoretical by practical minds which believed implicitly in an unalterable and unmodifiable law of supply and demand; which saw, without seeing, the banks of rivers turned into dump heaps and sources of municipal water supply polluted; which accepted without question the blighting of a city's most accessible and useable areas and spent millions of dollars on needlessly expensive and often needless systems of transportation, merely because they had not been trained to see a community as a community but only as an aggregation of individuals.

The broad outlines of the question dealt with by this paper may be stated briefly. The details would fill volumes, and but little has yet been assembled in useable form. Labor placement, we shall assume, includes labor retention, i.e., not only the securing of a supply of labor but what is more important, the reducing of its turnover. The latter part of the question has been under scrutiny for some time and many obvious reasons for our great labor turnover have been noted and some have been changed. As in infant mortality, even a superficial study brought to light certain conditions that a minimum of group or community action could change—as the substitution of clean and modified milk for the dirty, diluted stuff that had been sold before—and which being changed caused an immediate and notable improvement.

So easy and so efficacious, comparatively, are these first changes that some of us have been inclined to persuade ourselves that they comprise our whole task. An alley that has been buried under an accumulation of filth is vastly improved by shovel work, but it is not really clean until broom and water have played their part.

So improvements within the plant, whether of physical conditions or of management, will make notable improvement in labor turnover and at a comparatively small expenditure of thought and energy, for they require but a minimum of community or group action.

But having achieved so much we find that the task is not completed. A generation ago our present condition, in our more progressive industrial enterprises at least, would have seemed almost utopian. But having done so much we find that labor turnover is not yet reduced to the place where it should be and dimly we are beginning to see that labor turnover is a matter of concern not only to individual employers but to those who are concerned with such community problems as deserting husbands; and that conversely the employer has reason to be concerned, because of his interest in the efficiency of his own plant, in these community problems. The deserting husband not only leaves destitute wife and children for the community to support but he loses the spirit which makes a first class workman and by degrees becomes a drifter, a vagrant, one of the army of unemployables the attempt to employ whom is one of the great wastes of industry. And the reason for desertion in the great majority of cases probably lies quite outside the factory gates and only the effect is felt inside.

Had that man lived in a better home, in a better neighborhood, had his children attended better schools, had his neighbors been more satisfied with their lot, had more to lose and so have had a different tone in their daily conversation, the deserter would probably have resisted the temptation to which he yielded, perhaps a little thing in itself, but the last of many things big and little,—impatience at the jam in an overcrowded street car to which he was subjected morning and evening, or, of more consequence, remorse that the cost of sociability at the corner saloon made impossible the paying of grocer's bills. These cannot be affected by improvement within the plant; they can be affected only by improvement of living conditions, and the latter may be summarized as improvement of the dwelling.

But here again it is necessary for us to broaden our vision from the individual to the community. Housing betterment began by attempts to improve individual houses, and it made considerable improvement. It did the shovel work—or at least began it—

of somewhat lessening the squalor and filth of slum areas. Transportation began too by accepting existing conditions and seeking only to mitigate them by enabling those who had the time and the money to escape to a better environment. But having done the shovel work where it has been done, we learned that it was after all but superficial, that it must be done over and over again, for it makes no change in the basic conditions which first rendered it necessary. Instead of improved slums, instead of expensive and wasteful means of escape, we begin to realize that there will be economy in abolishing slums, in using transportation not to mitigate the effects of bad conditions but to serve the community as a community. Transportation, even the least expensive forms, is wasteful if used needlessly, wasteful in time, health, money. The more expensive forms, especially the most expensive form, the subway, is ruinous if used as a substitute for walking or even for trolleys.

So both housing and transportation lead us inevitably to city planning, and city planning is based upon two things: first, the needs of business and industry, which create the city; second, upon the needs of the home, which make the city worth creating. Having come then to visualize the city as an entity, not as a mere aggregation of individuals, we are able to consider the proper distribution of its parts and to plan for their needs.

Business and industry must first be considered because from them flows the wealth upon which all else depends. Those areas best suited to their needs should be devoted to them. Transportation, here including not only passenger but goods transportation, must be planned to serve them primarily. But, though they are considered first, they cannot be considered exclusively; the satisfying of their needs may have to be modified if it takes too much from satisfying the living needs of those for whose benefit business and industry exist.

The living needs of the people may come second in order of consideration, but not in importance. These living needs fundamentally are first, a wholesome environment, which means not only a sanitary dwelling—to that point we have already progressed in some of our cities—but space for outdoor life, opportunity for education and recreation, amenities that promoted sense of community well-being and second, accessibility to the places of employment which support all this. That is, our places of em-

ployment must be distributed in such a way that their business needs may be most economically met and at the same time that they may be accessible to those who operate them.

Philadelphia, by happenstance, for it was only a matter of happening, not of conscious planning, illustrates in a rough and unordered way what in the future we shall do in a systematic way. Its industries are distributed in many centers and as a consequence its workers in unusually large proportion can live within walking distance of their work. As further consequences its workers in very unusually large proportion live in single family houses, and its transportation system has lagged behind those of competitor cities in mechanical development. Had Philadelphia, instead of drifting along from a fortuitously good start, been consciously planned and developed according to ideas only now coming into vogue, it would today be a model for other cities to imitate. The fundamentals are there, though long unrecognized; the failure has come in working out details. Now that the fundamentals are being recognized, though not always clearly, and now that the tide is running strong toward community development and control, Philadelphia has the best opportunity of any of our largest cities to develop its housing and its transportation in such a way as to attract labor and to reduce labor turnover.

In its new and rapidly growing industrial areas outside the present city it can develop a transportation system designed to meet real needs, not those due to mal-adjustment, and consequently a productive system, not a wasteful one. In these areas there is still space to develop the kind of housing that will make the worker glad to come and loath to leave. And while it is doing this it may, if the tide runs strong enough or if its leading citizens swim hard enough, gradually correct the worst faults of its present housing—land overcrowding and insanitary conditions, and modify its plans for transportation so that they will not only bring it increased business from outside, but will make passenger transit within its borders efficient and economical—high-speed trunk lines connecting important centers and fed by less expensive local lines. For passenger transportation within a city should be only for those who must travel long distances, and the number who must travel long distances daily should be reduced to a minimum by building as large a proportion as possible of houses within walking distance of places of employment.



## A National Policy—Public Works to Stabilize Employment

By OTTO T. MALLERY

**D**URING the war period large amounts of necessary public works have been deferred on account of lack of material, labor and capital. The War Industries Board has diverted the material needed; the draft and munitions plants have taken the labor; and the Capital Issues Committee has prevented the raising of the capital. Thus the war forced the adoption of the excellent policy recommended for peace times but never adopted—the policy of doing less public work during periods of great industrial activity and of speeding up the construction of public works during periods of general unemployment. Now comes the time to carry out the second half of this policy.

In ordinary years of peace the amount of public money spent in the United States on public works is prodigious. It comes to \$600,000,000 a year. Suppose that we should adopt the policy of spending nine-tenths of this and of putting the remaining one-tenth each year into a reserve for a bad year of unemployment.<sup>1</sup>

We would at the end of five years have a sum that would employ 800,000 workers in a bad year of unemployment at average wages for a period of three months. As two-thirds of the whole sum expended for public works in the United States is by the governments of cities, these 800,000 workers would be employed in every part of the country and the larger groups in the industrial cities where unemployment is ordinarily most acute. This would be a peace order quite worthy to be compared with any of our great war orders.<sup>2</sup>

In effect the war has given the United States this reserve of usual, necessary public works undone, although of course no reserve of capital with which to do it. It is a safe estimate that the amount of public works deferred during the war period of 1917 and

<sup>1</sup> Periods of industrial depression and unemployment have occurred on the average once in ten years in the United States since 1850.

<sup>2</sup> For the best presentation of this subject see "Big Jobs for Bad Times," by William Hard, *Everybody's Magazine*, August, 1916, from which the above figures are derived.



1918, plus the ordinary new public works for 1919, would employ 2,400,000 workers for three months at average wages.<sup>1</sup>

Clearly the execution of all this public work in 1919 would have an important stabilizing effect upon unemployment and would ease the process of demobilization and the transition of the workers from war to peace industries. The employment provided by these public works is not only employment to the workers directly engaged upon them but also employment to those needed in producing the materials for the work. In addition the purchasing power of the workers directly employed indirectly creates employment for other workers who produce the things for which the wages of the first group are spent. This initial impulse of setting a group of unemployed men to work has the same effect as dropping a pebble into a pond. The ripples it starts extend farther than the eye can see and the circles of motion widen and move in all directions to the farthest shores. *ind. emp.*  
*and ordinary effects.*

The use of public works as a stabilizing force is about to be put into practice for the first time. The War Labor Policies Board, of the Department of Labor, has approved such a policy and is at work developing it. Suggestions have been made to the cities to go ahead with their deferred and necessary public works. The cost, time and number of men needed will soon be known to the War Labor Policies Board and the United States Employment Service. The plans of the state governments for public works are also being assembled and studied by the War Labor Policies Board. All this information will be in the hands of the War Department for such use as it may decide to make of it in its plans for military demobilization.

The state of Pennsylvania is a pioneer in this undertaking. A few months after the United States entered the war the legislature of Pennsylvania passed an act creating an Emergency Public Works Fund and an Emergency Public Works Commission to administer it. The commission is now gathering information from all departments of the Pennsylvania state government concerning the necessary public works which the state might undertake during periods of unemployment and industrial depression. The legisla-

<sup>1</sup> These figures are based on a safe assumption that only 25 per cent of the usual public works were deferred in 1917 and 1918 on account of war conditions and that the amount of new public works for 1919 would be no larger than the pre-war annual average.

ture appropriated a small sum to the Emergency Public Works Fund as a beginning. The expectation was clearly that this fund should be increased by each succeeding legislature and allowed to accumulate until the next great period of unemployment.<sup>1</sup> A recent amendment to the constitution of Pennsylvania permits the state to borrow \$50,000,000 for roads. This gives Pennsylvania a chance to do an important part of this work during the critical period of transition.

Bills similar to the Pennsylvania act are in preparation for introduction into the legislatures of several states in 1919. Special appropriations and bond issues will also be sought in some of these states and public works stimulated in 1919.

\* The Ministry of Reconstruction of Great Britain has pointed out the urgent need of public works to ease demobilization and the transition from war to peace. In Great Britain the percentage of men under arms to the total population is at least three times as great as the percentage in the United States, and the undertaking correspondingly more complex and dangerous to order and political stability. Plans have apparently been made for the payment of wages to munitions workers for a period following their discharge and also for the payment of a similar allowance to ex-soldiers. What federal public works will be undertaken direct by the various branches of the federal government during the transition period has not yet been determined. (November 20, 1918.)

The Department of Interior is well advanced upon its plans for creating ready made farms to be sold to returned soldiers. Ellwood Mead, who developed a similar project successfully for the state of California, is directing this work. Secretary of Interior Lane is ready to employ 100,000 men at once upon United States reclamation and irrigation projects already planned and surveyed if Congress gives the signal and necessary appropriations. In 1919 the Department of Interior could employ 500,000 men upon a great plan to reclaim cutover and swamp lands and upon the development of new irrigation projects. This plan aims to increase the arable area of the United States by 250,000,000 acres and provide homes for 20,000,000 people.

The area to be reclaimed would increase by one-half the present

<sup>1</sup> A brief summary of the Pennsylvania Emergency Public Works Act will be found in the Appendix to this article.

improved farm land of the United States. This amounts to a peaceful conquest of thirty countries the size of Belgium or the admission of eight new Pennsylvanias into the Union. To what extent this plan, or portions of it, will be undertaken depends upon Congressional enactments.

The Highway Transportation Committee of the Council of National Defense is preparing legislation asking \$100,000,000 of federal appropriations for highway construction. Federal direction and assistance in improving the harbors of New York, Philadelphia and other ports will probably be asked.

Flood prevention offers a large field for federal activity in co-operation with the states. The engineers of the War Department have studied the prevention of destructive floods in the Ohio River basin, like those which wrecked Dayton, Ohio, in 1913. The cost of this vast undertaking is colossal, but so is the certain damage to life and property if unbridled floods are allowed to sweep on. The lower Mississippi and Miami Rivers, the Pittsburgh and other flood districts need federal and state assistance in flood prevention. The rivers of France and western Europe generally have long since been tamed and deprived of their power of destruction. The same must be done with our North American rivers and the time to undertake these great tasks is clearly during periods of unemployment. The fact that the cost of materials is lower then than in periods of greater industrial activity is an additional reason.

Shipbuilding may now be regarded as a part of public works, and one which will need more workers during the transition period than it was able to secure during the war, even after it had attempted to outbid all other industries by unprecedented wages.

The Railroad Administration will probably not undertake any important additions or improvements unless a change is made in the contract of the government with the railroads as to the clause reading: . . . . "the roads shall be returned to their owners in as good condition as when received." Under this clause the government would presumably not be compensated for any railroad extensions or additions it might make.

The limits to which necessary public works can safely be undertaken during the transition period are:

1. The amount of capital that may be raised by municipal,

state and federal governments without depriving private industry of the capital it also requires for equally essential enterprises.

2. The amount of materials available without depriving equally essential private industries.

3. Plans for these great undertakings in public works, especially those of the federal government, like reclamation and flood prevention, should be in readiness, but the whole program should not be put into operation unless the need is clear. Therefore Congressional authorizations should allow some discretion as to whether, when and to what extent the particular public works in question shall be undertaken.

Even though the public works of the United States annually amount to the great sum already noted, they are but a small percentage of the private industry and trade of the United States. Therefore if private industry were to be checked for a long period the greatest conceivable program of public works could not restore the balance. While private industries non-essential to war were reduced in war time to a mere shadow of their former selves, the vast aggregate of government war work more than offset this reduction. In peace times public works can never be on so vast a scale as were the governmental undertakings of war time, but neither will the suspension of private industry be as complete as in war time.

Public works is a good sponge to absorb workers spilled over by some sudden shock. Public works may absorb enough workers to prevent a serious flood and resultant wreckage and suffering. As buffer employment public works at the right time and in the right amount will oil the starting up of the peace machinery, but it will not provide the steam to keep the machine going.

The federal government is awake to the value of public works during the period of demobilization. To effect this great change with the least shock and suffering, the cities and states, under guidance from the War and Labor Departments, have a great responsibility and a greater opportunity.

## APPENDIX—SUMMARY OF THE PENNSYLVANIA EMERGENCY PUBLIC WORKS ACT, SENATE BILL 1065, 1917

## PURPOSE OF THE ACT

1. To provide for the extension of the public works of the state during periods of extraordinary unemployment.
2. To provide a fund for the purpose to be known as the Emergency Public Works Fund.
3. To create the Emergency Public Works Commission as trustees and custodians of the fund.

## PROVISION OF THE ACT

The Emergency Public Works Commission shall consist of the Governor, the State Treasurer, the Auditor General and the Commissioner of Labor.

It shall be the duty of the Emergency Public Works Commission to proceed forthwith to secure from the various departments, bureaus, boards and commissions of the state, tentative plans for such extension of the necessary public works of the state as shall be best adapted to supply increased opportunities for advantageous public labor during such periods of temporary unemployment together with estimates of the amount, character and duration of said employment, the number of employes who could be profitably used therein together with rates of wages, etc.

It shall be the duty of the Emergency Public Works Commission, when in its opinion a period of extraordinary unemployment does in fact exist within the state, to make such disposition and distribution of the Emergency Public Works Fund among the several departments of the state for such extension of the public works of the state under the charge or direction of the state as the Emergency Public Works Commission may approve.

## APPROPRIATIONS FOR EMERGENCY PUBLIC WORKS

The sum of \$40,000 is hereby appropriated to the Emergency Public Works Commission for the purposes of this act. (This sum should not lapse if unexpended, but with succeeding regular appropriations should be allowed to accumulate in the Emergency Public Works Fund, the purpose being to accumulate money during prosperous years for expenditure during periods of unemployment and industrial depression.)



## Placing Soldiers on Farm Colonies

By ELWOOD MEAD

**T**HERE is reason to hope that one of the results of the war will be a carefully thought out, social land-settlement policy. This is something the nation has long needed but never enjoyed. Although there has been administered from Washington the greatest area of fertile land ever controlled under one civil polity there has never been any attempt on the part of the government to plan in advance the development of any particular area so as to create an agriculture that would maintain or increase the fertility of the soil, that would regard the farm as not solely a place to make money, but the means of a healthy, independent existence and the center of family life. There has been no attempt to select colonists so that they would be harmonious or agreeable members of the rural community or effective agents in rural development. There has been no attempt to fix the size of farms so that they would have a definite relation to the ability of the settler to cultivate them properly or to the income needed to give a comfortable support to a family.

The social and economic importance of having land owned by its cultivators and of having such restriction on tenure as would prevent land monopoly was not realized. As a nation we have acted on the idea that anyone who was strong enough and shrewd enough to own the earth was privileged to do so. In our early history, land was sold chiefly to the speculators. Later on it was given away mainly to corporations and to states, and the corporation and the state alike paid little attention to the kind of agriculture or the rural society which an unthinking disposal of these lands to private owners might create. Men who bought lands from railroads and from states did not, as a rule, buy with the idea of becoming farmers or of creating an enduring kind of agriculture. They usually bought to sell again at a profit, and from 1870 until near the close of the nineteenth century we had in this country the unfortunate spectacle of the federal government unable to prevent wholesale frauds under the Homestead and Desert-Land Acts, and the railroad, the state and the private speculator

selling land under conditions of development fixed mainly by the speculative colonization agent.

This review of our past shortsighted carelessness is indulged in primarily to show how great would be the change if in place of this the experience and wisdom of our ablest minds were enlisted in an effort to plan rural development in advance, to think out what an agricultural community needs, what obstacles will confront the man of limited capital who seeks to achieve landed independence, and what can be done to help him overcome them.

Such a planned land-settlement policy should be put in operation at once if the nation meets adequately the situation now upon it. Over a million soldiers were drawn from rural pursuits. An equal number should be returned. The argument for this is that an increase in farm products will meet an urgent national need. Before the war, this country had begun to realize that something should be done to insure a more abundant and cheaper food supply. We were importing butter from Australia, meat from Argentina, sugar from many countries. There was no shortage but there was increasing difficulty on the part of wage-earners in providing their children with an adequate amount of wholesome, nourishing food, the things the citizens of the future should have.

The end of the war finds the cost of food so increased as to be a serious menace to industrial progress and political stability. The milk riots of cities and the declaration of the Food Administration that price control of foods should continue for several years are two of many indications. Every European country feels the pinch of hunger and some are menaced by famine. Not only have the world's available stores of food been exhausted but Europe looks to this country to increase production to meet its people's needs and this is causing the fertility of farm lands to be depleted at a rapid rate by overcropping.

More farms and more attractive and better-organized rural life are therefore among the nation's foremost economic requirements. Only those who have studied the conditions of rural life in this country in recent years fully realize the political and economic value of soldier settlements created under carefully thought out plans. Such settlements will give to some sections of the country an agriculture and a democratic rural life they have thus far lacked. A journey from New York to Atlanta, Ga., through

the Piedmont area, with its succession of abandoned fields and destructive methods of tillage, shows that we are to have a rude awakening unless there is a complete reform in our agricultural practices. One century has done more to impoverish the soil in this region than a thousand years of intensive cultivation on the farms of Europe.

We have slashed away our splendid wealth of forests. We have planted hillsides to cultivated crops with no binding material in their roots, and winter rains have washed off the stored-up fertility of centuries and left them scarred with gullies, with many fields which now grow only weeds and brush. Instead of the land being owned by its cultivators, we have a menacing increase in the area farmed by tenants. Formerly indifferent to land tenure, we are now beginning to realize, as yet vaguely and uncertainly, that if we are to be a real economic democracy we cannot tolerate land monopoly nor allow this nation to become a revolutionary Russia through the growth of non-resident ownership and tenant cultivation of land.

It is a happy coincidence, therefore, that the open, healthful life of the farm is what a large percentage of the returning soldiers will desire. This has been shown by the demand for farms by the soldiers of Australia who have been invalided home, and by the inquiry by soldiers now in the American Army for farms under the land settlement act of California.

Two years ago the legislature of that state created a state land settlement board and authorized the purchase, subdivision and improvement of 10,000 acres of land and its sale in small, ready-made farms to settlers. It was not a war measure but was intended to be a demonstration of what could be done through government aid and direction to create broader opportunities for poor men.

The first lands purchased under this act were settled last June. Fathers of four soldiers in our army applied for farms for their sons. These were granted. Another tract of land will be settled in November. One father writes: "I have three sons fighting in France. They all want to be farmers. Isn't there some way by which I can apply for one farm for myself and another for my oldest boy? The four of us will then work the two farms together." Soldiers have written asking if they could register as

applicants, and, if it had been legally possible to give them preference, not a single farm would go to a civilian. There are tens of thousands of such young men in the American Army.

It means much for the success of the soldiers' settlement proposed that our young men abroad have been living for the past year in countries which are not only examples of the best kind of agriculture, but where the ownership of a farm has back of it tradition and sentiment that thus far rural life in this country has lacked. The farm home of France is the altar of the family life. Love for the soil by the French and Belgian farmer is the main-spring of his love of country. Fresh from these impressions, these young men will be ideal material to build up a new and better rural life in this country, to help end our speculative and migratory development and create communities that will be reservoirs of patriotism and new sources of national strength.

#### THE NATION AND STATE SHOULD COÖPERATE

Assuming that we will follow the example of the other Allied countries and create opportunities for ex-soldiers to obtain homes in the country, there arises at once the question as to whether the state governments or Congress shall direct the undertaking. Thus far, it has been considered mainly as a national matter, the movement having been inaugurated and national interest therein aroused and maintained chiefly through the influence and efforts of Secretary Lane.

The great extent of this country, the wide variation in the soils, climate and productions, and the different ideas and habits of the people seem to make it desirable that both the national and state governments should take part in the movement. This plan has been adopted in several English-speaking countries.

Another reason for state participation is that it can provide the land and be a responsible partner in this movement with a small appropriation of money. Visits to many states have shown that where it is not possible to secure an appropriation of money to buy land, the owners will turn their property over to the state under a contract which permits of its sale to settlers, the owners of the land to be paid from the settlers' payments. The California Land Settlement Board is offered all the land that it cares to colonize on these terms, and there was not back of these offers



the inspiration of patriotism which attaches to the soldier-settlement movement, nor does the federal government in any way assist in the improvement of the land as it will in the soldier-settlement movement.

In Australia the commonwealth government provides the money for developing and improving farms; the different states provide the land. In Canada both the dominion and the states provide land and money. In Ireland the empire provides the money, but the success of Irish land settlement never would have been complete had it not been for the intimate, patient assistance to settlers furnished by the Agricultural Organization Society.

Legislation in Congress should be of such a character that any state could enjoy whatever assistance the federal government extends, provided that the state itself is willing to assume a proper share of the cost and of responsibility for results.

The greater part of the land to be used in settlement is in private ownership. Here is the field for state action. The state should provide the land, both the price and quality of the land to be approved by the federal authorities. The federal government should, however, prepare the land for settlement.

The largest fields for settlement are the neglected lands of the Eastern and South Atlantic States, the logged-off lands, the swamp lands of the South and West, and the arid lands of the West. Here, development can take place without disturbing existing cultivators. But before this is possible there must be a large expenditure in development. This work should be carried out by the federal government because the United States Reclamation Service is already organized, has behind it a 15-years' record of successful achievement, and has the facts and the expert staff needed to begin work promptly and carry it to successful completion.

The two foundations of the system should be, therefore, that the state provide land, approved by the federal authorities, and the reclamation service should prepare the land for settlement.

#### CAPITAL A SOLDIER SHOULD HAVE

It will be a serious mistake to give this opportunity to all soldiers. Those who have not had experience ought to go through a course of training to know whether they like farm life and to



determine whether they are fitted to succeed. It is no kindness to the individual to let him undertake something in which failure is probable. Every settler who takes a farm should have some capital. This should be required as a protection against overconfidence and inexperience. There ought to be a part of the expenditure on which the settler does not have to pay interest. There ought to be some reserve on which he can fall back in case of illness or misfortune. Such a rule is necessary to the solvency of the undertaking. If farms were thrown open indiscriminately to settlers without capital, men with no seriousness of purpose and no real interest in agriculture would be willing to take a fling because it costs nothing, and they would be equally willing to abandon the enterprise for some trivial cause. In the interest of the community such men should be excluded. It demoralizes workers to have among them people who lack seriousness of purpose, and it does not look well to have any large percentage of the farms abandoned.

The requirement that a settler should have some capital does not necessarily mean his exclusion from the benefits of this act. If the amount of capital required is only 10 per cent of the total cost of the farm, an equipped farm costing \$5,000 will require only \$500 capital, or, if the settler chooses to begin as a farm worker, he can obtain a home which will be his own, with a comfortable house, at an outlay not to exceed \$2,000, and there his initial capital would only have to be \$200, and this sum of money can be readily earned and saved through the opportunities for employment in farm development which will be afforded.

In the California State Land Settlement, the minimum capital of the settler is \$1,500. That condition has not caused the rejection of a single individual who was a safe risk, and there are young men having farms in that settlement who have accumulated the capital within four years. As the California farms vary in value from about \$6,000 to \$15,000, and the cost of their improvements and equipment will amount to \$5,000 more, the \$1,500 is only about ten per cent of the cost of the completed farm, and this percentage of the total cost is about the minimum capital which should be required on the soldier settlements of this country. If an improved farm costs \$5,000, the settler should have \$500. If it costs \$10,000, his capital should be \$1,000 and if, in both cases, he has three times the sum named, so much the better.

Conversations with men vitally interested in this movement and who desire to see the policy adopted show a wide difference in views regarding the authority which should direct the settlers, look after the development of colonies, and collect the money required to pay for the land and improvements. This difference in view is mainly sectional. In the South the prevailing wish is that the federal government should perform this task. In the North and West, and especially in those states where the agricultural colleges are well equipped and progressive, the state board is advocated. This is a curious reversal of the former attitude of these two sections regarding state's rights. The law should be drawn so as to give the states that desire to assume this responsibility, opportunity to do so but, where the state is reluctant, the federal government should direct the entire development. It is my belief, however, that a competent state board would perform this task better than a competent federal board. It will have, back of its action, state pride in the success of the development, a knowledge of local conditions which will show in the numerous intimate and friendly things which help to keep hope and courage in the heart of the settler when all of his cash capital is spent and the outlay for living expenses, improvements and equipment seems unending. Ultimately this plan of rural development is to be the rule rather than the exception if the rural civilization of this country is to keep pace with that of other nations which have made government aid and direction in land settlement a definite public policy. The state that manages a soldier settlement will gain an experience which will show in its progress in future years.

The function of the federal government is to give to this movement unity and general direction, to provide the money and expert organization for the preparatory period, and to give a broader outlook and such oversight in the later stages as to prevent experiments or extravagance on the part of state boards. But the state should be the directing agent in developing settlements and in collecting payments.

#### SETTLEMENTS SHOULD BE RESTRICTED TO AREAS LARGE ENOUGH TO GIVE DISTINCT COMMUNITY LIFE

The experience of other countries has been that attempts to finance individual settlers on farms scattered throughout rural

communities have been failures. The overhead expenses of management after settlement are too great. Economy and efficiency require that there be at least one hundred farms in each community. It needs that many to create a real community spirit, to provide for coöperative buying and selling organizations, to establish any definite kind of agriculture, and to create a morale needed to bring the undertaking to a successful end.

The task of improving and paying for a farm is not an easy one even under the generous terms which the government may provide. Industry and self-denial extending over several years are certain to be required. Settlers will be more ready to work hard and live simply if they have neighbors who are doing the same thing, but a single family, placed in a community of well-to-do, easy-going farmers with their farms paid for, will certainly adopt the methods and habits of the neighborhood, and a large percentage will fail. The English commissions reported that no farm community should have less than 2,500 acres. That means twenty-five 100-acre farms, and no garden area should have less than 1,000 acres, which also means homes for one hundred families.

#### HOMES FOR FARM LABORERS

Every soldier settlement ought to contain whatever the community needs. It ought to have a common meeting place, a social hall, and, if large enough, there ought to be schools to give vocational training in agriculture. The best-planned European settlements provide the store, church, blacksmith shop, carpenter shop, and usually a social hall and recreation common. In other words, they recognize the need for a varied industrial life. The same plan ought to be followed in this country.

Some of the settlers will want to be fruit growers, some poultry raisers, some market gardeners, and some will not want the responsibility of ownership and management of a farm but will want to work for wages. The careful, experienced, skillful farm worker is an essential need of agricultural life. He is just as valuable as the farm owner, and failure to recognize this fact and make an opportunity for him and his family to live as American citizens should live has been the cause of the migration to the cities of many families who would, under proper conditions, rather live in

the country. In some sections of the United States the American farm laborer has almost disappeared.<sup>6</sup> His place has been taken by immigrants from Southern Europe and Asiatic countries, men with low standards of living and indifferent to their status as citizens or to their social position. If these soldier settlements are to be really democratic all this must be changed. Homes must be provided for the wage-workers which will be as attractive and comfortable as those for the families of the landowners, although they may, and doubtless will, cost less. They should be homes where the children can grow up under conditions of independence and self-respect which ought to be a heritage of every American citizen.

The most valuable feature of the California land settlement is the two-acre farm laborer's allotment. This is enough land to give a garden, enable the family to keep a cow, some chickens and pigs, and to have their own fruit. Such homes enable these families to live cheaply because they grow most of the things they eat. The farm worker's home is also a valuable feature of the land-settlement schemes of Denmark, of Germany, and of Australia.

Nothing is more instructive than a study of the qualifications of the men who secured the twenty-one farm laborers' allotments on the first California settlement. There are five carpenters, a shoemaker, and two skilled market gardeners. The others are men who understand farm life and farm work, are sober, industrious, clean-living men. One has a capital of \$4,700 well invested. He could have bought a farm, but he has been working and saving as a farm laborer for more than twenty years and he had no desire to assume the risks and responsibilities of ownership. The farm laborers in this community belong to the coöperative buying and selling associations. They attend and participate in the meetings which consider the things that the community is to do for its common welfare. It is a restoration to our rural life of the old New England town meeting, the thing that, as much as any single influence, gives capacity for self-government. The only capital required of the farm laborer is money enough to meet the initial payment on his land and house. He can pay the rest out of his savings because the amount involved is far less than that required to pay rent in a town.



## THE NEED FOR LONG-TIME PAYMENTS AND LOW INTEREST RATES

The chief reason for the rapid growth of tenantry in recent years is that the rising price of land made it impossible for poor men to pay for farms in the time which private owners were willing to give. The money could not be earned out of the soil. This mistake must not be repeated in soldier settlements. The time of payment ought to be long enough to enable the settler to meet his payments without undue anxiety, risk or privation. In this country the usual time for farm payments has been five years and rarely longer than ten years. In Denmark, under state land settlement acts, it is from 50 to 75 years; in Germany, 50 years; in Ireland, 68 years; in Australia, 31 to 36 years; in California, 40 years; and the commission on soldier settlement in England recommends that 60 years be the payment period there.

If the interest rate in America be made 5 per cent and the payments are amortized, a yearly payment of 6 per cent on the cost will pay for the farm in 36 years; 8 per cent a year will pay off the debt in 20 years. The difference between 6 per cent and 8 per cent, in the case of some struggling settler, may mean the difference between being able to keep up with his obligations and falling behind with them, hence the payment period ought to be not less than 20 years, and 36 years would, in some cases, be preferable.

## WORKING OUT SETTLEMENT PLANS

The conditions under which settlers are given farms must vary greatly in the several states. The methods of development will also vary in different sections. The plan of operation on the neglected farms of the Atlantic states, on the great unsettled areas of the South Atlantic and Gulf seaboard, and on the arid lands of the West, must be entirely different. Our success is going to depend in large measure on the intelligence which we show in adjusting methods to conditions.

On much of the neglected or abandoned farm areas I have visited, the best plan would be to put the settler on his farm. Say to him that it is going to take two or three years to clear the land, bring the soil into condition to produce crops, and that no payment will be required during that time. On the contrary, that he will be paid for every acre properly cleared, for every rod



of fence built, and for the fertilizing and manuring of the worn-out lands; that he will be helped in the erection of farm buildings, and when the preparatory part is over, the money advanced to pay for these improvements will be added to the cost of the farm, and the settler will then begin paying for an improved property.

In the logged-off land and in areas needing irrigation and drainage an entirely different plan must be followed. Settlers should not be allotted farms on these lands until the irrigation and drainage works have been completed and the arid land leveled for the application of water. These are the tasks of an engineer and not of a farmer. There the intending settler who is waiting for his farm can find employment. He can work for wages while his farm is being made ready for cultivation.

In every settlement there needs to be provision for expert assistance and direction in the building of houses and other improvements, and when the settlers are on the land there will be needed a superintendent who will be the confidential adviser of those directing this movement and a source of encouragement and admonition of the settlers. He will advise them about farming methods to save them from the consequences of inexperience and weakness. The government will have to depend on him for advice as to who should be aided, and those on whom aid will be thrown away because they lack the qualities essential to success. In many ways the superintendent of the settlement is the most important officer connected with this movement. He must understand the locality; he must understand the kind of farming that will succeed there; he must have tact and business judgment; he must have sympathy for those who strive, and firmness with those who undertake to abuse the government's generosity. In every settlement the first three years will be critical, and this is the period where advice, encouragement and direction will not only mean that the management or success and failure will be on the right side, but it will do much in the creation of the kind of agriculture and the kind of rural life that we as a nation need, and which nothing but community organization and the mobilizing of the expert knowledge of the country in constructive action will create.

## Immigration Standards After the War

By HENRY PRATT FAIRCHILD

ONE of the knottiest problems which will have to be faced in the establishment of a world state or a league of nations will be the question of the movement of people. Under the national economy which has prevailed hitherto, every state has assumed its own right to determine what should be the constituents of its population so far as extrinsic contributions were concerned—in other words, the right to control immigration—and few states, with the exception of Japan, have questioned the legal or moral right of other states to make such a determination. On the other hand, few modern states have found it expedient to place limitations upon the movements of their own people within their own territory.

Whether the era of internationalism which is now dawning results in the formation of a world state, or in a more loosely coordinated league or federation of self-determining units, in either case there can be only two general alternatives as regards migrations. Either there will be a free right of passage over the entire territory included in the state domain, analogous to the present right of travel within a given country, or else restrictions must be placed by the central authority, or by the federated states in accordance with a common agreement and consent, with respect to boundaries broadly similar to those which now separate existing nations. In the former case, there would be introduced the new principle of discrimination within a given jurisdiction; in the latter, the way would be left open to unpredictable bitterness, jealousy and dissension. Either solution is full of uncertainties and dangers.

It is the purpose of this paper to show that, great as are the difficulties of migration control under a world government, for the present the scientific and only safe course is to insist upon restrictions (so far as the United States, at least, is concerned) at least as rigorous as those which were in operation before the outbreak of the war. The demonstration of such a proposition calls for a matter-of-fact, impersonal analysis which seems at

first to ignore the claims of humanitarianism and universal brotherhood, and yet is as fully legitimate as if the subject under discussion were the transplantation of fruit trees, or the control of river currents.

The ultimate goal of the present convulsion, the military phases of which have happily terminated, and the political and social phases of which have just begun, is the establishment of universal democracy. Democracy is composed of various elements, and is difficult of definition or description. But of its material elements there is no better embodiment and criterion than the standard of living of the common people. Where the standard of living of the people is high, relative to the general producing power of their territory, there democracy flourishes, by whatever name the government may be called. Where the masses live on a low plane of comfort, democracy languishes and dies, however great may be the tabulated wealth of that nation. Speaking of the world at large, if a higher standard does not result for the great bulk of mankind, all this blood will have been shed largely in vain. If there should result a general lowering of the standard over the entire globe it would be an unspeakable calamity, dwarfing all the untold horrors and losses of the conflict itself.

For the remainder of this discussion, let us lay to one side all question of the inferiority and superiority of racial stocks, and think only of the tangible values of material comfort and spiritual welfare, about which there can hardly be a difference of opinion. What is the obligation of the United States with reference to maintaining, and if possible raising, the standard of living of the great masses of mankind, of whatever race or affiliation?

The naïve answer to this question might easily be that our duty is to share our blessings as liberally and impartially as may be with all those who care to participate in them, all the more so, since our losses in defense of democracy have been so trivial in comparison with those of our gallant Allies who have borne the burden of the conflict. If there were, before the war, hosts of conscientious, intelligent people who were ready to throw our doors wide open to "the down-trodden and oppressed of every land," there will be more now who will conceive it as the acme of national selfishness if we refuse asylum to the would-be refu-

gees who will seek to escape the drudgery and hardships of the reconstruction period in Europe.

Let us set down certain basic considerations bearing upon the question, with reference to which there will be general agreement and which will clarify the more dubious steps of the argument. In the first place, there is little doubt that before the war the people of the United States enjoyed a higher standard of living than any other considerable nation. This was ours, not because of any special merit of our own, but because of the peculiarly fortunate conjunction of land, climate and historical development which has given us an unparalleled command over the sources of wealth. Our standard is rather in the nature of a free gift than an achievement. In the second place, it will hardly be denied that if the spirit of universal brotherhood is to dominate the world, those of us who have been fortunate enough to have our lot cast in this bountiful land must not seek to monopolize these blessings entirely for ourselves, just because we happen to be now in possession of them, or because the nation of which we are the constituent parts has "owned" them for a century and a half. Surely the modern thing, the altruistic thing, the *post-magnum-bellum* thing to do is to share these benefits as unreservedly as possible, particularly with those suffering peoples with whom we have been so closely associated during a year and a half of war. The crucial question is whether or not we can best share them by allowing the individual representatives of those and other peoples free access to the land from which we draw our wealth and power.

No space need be devoted to a portrayal of the dire conditions which would result if large contingents of foreign labor should be admitted to this country within two or three years from the present date. It is painfully obvious that we shall have all that we can do to handle the problems of demobilization of our own army, and readjustment of our industrial situation, without serious injury to our standards of wages and working conditions. Such an immigration as was normal during a busy year before the war would now be an intolerably complicating factor. Probably this will be prevented without any direct action by the use of shipping for other purposes, and other contributory forces. But if it should transpire that the current of immigrant labor began to flow once more while our army was still being demobilized, such a current



should certainly be checked by effective means, however drastic. The larger problem,<sup>1</sup> however, has to do with the effects which may be expected to follow the resumption of immigration when peace conditions are measurably restored.

Modern immigration, as is recognized by all authorities, is largely an economic phenomenon, that is, it represents a search for a higher standard of living. Almost without exception, the countries which furnish large bodies of immigrants to the United States have a standard lower than ours, or at least the classes which emigrate have a lower standard than similar classes in this country. More than that, our general standard is so much higher than that of most foreign countries that our lowest economic classes have a standard above that of much higher classes in other lands. Immigration, therefore, represents the introduction of lower standards into a country of higher standards.

The immigration of foreign labor to the United States tends to lower the standard of living of our working classes. It numerically increases the supply of workers bidding for employment and therefore tends to lower the prevailing wage or at best prevent it from rising. This is a sufficiently serious influence, but if the immigrants were habituated to the same standard as the natives, so that the effect was exclusively numerical, the result would not be necessarily calamitous, especially in times of expanding industry when immigrants come most freely. Immigration, however, has an influence much more powerful and much more disastrous, that is directly connected with the standard of living itself.

The introduction of a relatively small contingent of foreign labor into an industrial country may have a depressing effect upon the standard of living of the working people in that country out of all proportion to the numbers involved, provided that the immigrants are accustomed to a definitely lower standard than the natives. The process may be schematically described as follows: Suppose that there is in the United States an industrial town centering about one great plant which is the economic backbone of the community. Suppose that this plant employs 10,000 people, the bulk of the wage-earners of the town. These workers are reasonably efficient, and receive wages sufficient to enable them to maintain their families in a fair degree of comfort. Say that the aver-



age daily wage runs about \$3.00. Into this town there comes some morning a group of 500 raw immigrants in charge of a labor importer. These foreigners are men not materially inferior in economic productiveness to the natives of the town. But they have previously lived in a country where the conditions of existence are so much inferior that their customary wage is the equivalent of only \$1.50 of American money. To receive a wage of \$2.00 a day would therefore enable them to raise their standard very decidedly, and they will snatch at the chance to work for such a wage. Immediately upon their arrival, the labor agent goes to the superintendent of the plant and offers him 500 laborers at \$2.00 apiece. The superintendent looks them over, becomes convinced that they can do the work approximately as well as his present workers and agrees to take them on. He then calls in his foremen, and together they select the 500 least efficient of the \$3.00 men, who are thereupon informed that they are to be discharged. Upon learning the reason, they protest that they have their homes and families in the town, they do not know where else to find employment, and rather than lose their jobs altogether they will accept the wage offered to the foreigners. With a show of generosity, the superintendent offers to pay them \$2.25 a day, and they go back to their places. In the meantime the group of foreigners are still available. Therefore the next most inefficient group of 500 employes is selected, and the process repeated, with the same result. So it goes on, until eventually every one of the 10,000 original workers has had his pay reduced by fifty or seventy-five cents. At the same time, not one of the immigrants has been employed, and in the evening the group departs to try its luck elsewhere.

It goes without saying that in the complicated life of the nation at large the process does not go on so simply and mechanically as this. But exactly this principle is at work, however much its operation may be masked by contributory forces. There can be no doubt that the competition of laborers habituated to a lower standard is the most pernicious and insidious force which can attack the standard of living of the workers of a modern industrial democracy. It has been well stated that there is a Gresham's law in the industrial world, whereby the poorer labor drives out the better, and the lower standard eliminates the higher.

There can be no question that free immigration of foreign labor thoroughly undermines the standards of our common people. The process was already beginning to tell disastrously before the war, and would be immeasurably augmented if immigration should again go on unchecked, now that there will be so much added incentive for the tax-burdened natives of European countries to seek this land.

The worst of the whole matter is that there is no limit to the process. The drawing off of a sufficient number of laborers from such countries as India and China to destroy our own standard would produce no appreciable benefit in those countries, for the simple reason that it would not reduce the pressure of population there, and therefore could not raise their standard. A million immigrants a year perpetually could easily be drawn from China without decreasing its population in the least. The logical outcome of free immigration of workingmen under modern conditions of competitive bargaining for labor, as General Walker pointed out long ago, is the reduction of the standard of living of all countries to one dead level, and that the level of the originally most degraded and backward of them all.

It needs no argument to show that the United States is not called upon to sacrifice her standard for the sake of mere unreasoning sentimentality. She would be most recreant to her trust if she did so. Standards of living once lost can hardly be regained. It is our duty as a nation, our duty to humanity in the highest sense of the word, to protect our standard, in order that it may serve as a model and goal for the striving democracies in other lands, and that we ourselves may be in a position to help those democracies to climb somewhere near to the plane of their ideals.

The question of immigration after the war is often stated as the problem of whether we need to protect ourselves against the dumping of cripples and incompetents from foreign sources. The real question is, how we may protect ourselves from the able-bodied workers of less fortunate lands. Paradoxical as it may seem, we have much less to fear from the man who cannot earn his living than from the man who can. This is a rich country, and we could well afford to support for the rest of their lives thousands of the physical wrecks of war from England, France, Belgium, Italy, Greece, Russia and Serbia. It would be but a slight recog-

dition of our debt to those countries who have paid so much dearer for the liberty of the world than we have if our military hospitals and cantonments were gradually transformed into homes for as many disabled victims as our Allies chose to send us (under proper government supervision to prevent abuse), while we taxed ourselves liberally for their lifelong support and comfort. This would cost us nothing but money. But to permit the free transference of the labor from those countries to this under conditions which meant the disruption of our own standards would cost us our very life, and worst of all, would cost us our ability to be of real and permanent help to less fortunate lands.

The foregoing discussion rests upon the assumption that in general the present economic system will prevail,—private ownership of capital, competitive wage-bargaining, individual responsibility for family living conditions, etc. What might happen under conditions of socialism, or a world-wide minimum wage is merely matter for conjecture—except that it is hard to conceive of any minimum wage which would not speedily break down under conditions of free immigration.

## Seven Points for a Reconstruction Labor Policy

By V. EVERIT MACY

**A** YEAR and a half ago we were little prepared for war. Our form of government, our habits of life, were based on peace requirements. Our entry into the war came with short notice, only two months elapsing between the introduction of ruthless submarine warfare and the declaration of war.

Now, apparently, we are as little prepared for an orderly return to peace as we were for war. Here again the possibility of such a changed condition has been evident for not much more than two months. The new feature in the past war was that victory required not only a fighting force with high morale, but an industrial force behind the line with an equally high morale and unlimited raw materials. In order to keep a well-equipped and well-fed army of two million men in Europe, it was necessary to have an organization of twelve to fifteen million men in war industries and transportation.

Just as an army cannot fight in the field without thorough organization, an industrial army cannot produce the necessary supplies without organization. It has been our pride that our government has not attempted to control or direct our industrial activities. It was no small task, therefore, to organize and of necessity, centralize control of the industrial life of one hundred million people accustomed to regulate their own affairs individually. The mere size of the country with widely varying conditions made the task seem almost impossible of accomplishment.

The longer the war continued, the more apparent became the necessity for control and centralization, and like other countries we learned that "business as usual" was just as impossible as "live as usual" or "think as usual."

Even after a year and eight months our industrial war machinery is not sufficiently complete in its control to prevent an excessive labor turnover, and consequently inefficient production.

It is only necessary to mention a few of the various agencies by means of which the government has exercised control and centralized responsibility, to realize how far we have travelled from

our ways of peace. As an example, we have the War Industries Board and its control over all raw supplies, the War Trade Board controlling all foreign commerce, the Fuel Administration, and the several labor adjustment agencies.

What we must now realize is that it will probably take us longer to return to our former peace conditions in industry than it has required for us to develop a smooth-working war machine. It takes less time to consolidate and centralize than to separate a consolidation into its component parts, or to decentralize. We now have the famous problem of "unscrambling the eggs."

Most of the legislation, executive orders or agreements creating these controlling bodies provide for their dissolution, either upon the termination of the war or shortly thereafter. If these stabilizing forces are at once removed will not Europe, short of food, fuel, and all necessities, be willing to sweep our country clean of all supplies? Unless our exports are controlled, will the poorest countries and those that have suffered the most get their share? Can they afford to enter a scramble of such unlimited bidding as will result from the removal of all government regulation? Will our own industries be aided or hindered if each manufacturer is free to bid for his materials and labor as he thinks best? Could anything but utter chaos result from any such attempt to immediately return to pre-war conditions?

No phase of our industrial problem will be more difficult to readjust than that of labor, for labor includes the human problem. Whether the coming changes to peace conditions are made with a minimum of friction depends entirely on whether a spirit of coöperation is shown by the conservative and constructive labor leaders and large employers in working together with existing government agencies. It cannot be accomplished by any one of these three interested parties alone.

From my experience during the past year and a half I would emphasize the following points:—

1. The War Department, Navy, Shipping Board, and Labor Department should consult together as to what contracts involving purely war material should be immediately cancelled and what contracts for products having peace values should continue. For instance, the need for ships is still so pressing that this industry might be speeded up, thus providing work for many men



thrown out of employment by the cancellation of ammunition or aeroplane contracts. The housing program in overcrowded cities could well be continued. The indiscriminate cancellation of contracts cannot but result in dangerous unemployment, great financial loss to employers and waste of government money. The government cannot suddenly throw into the streets large bodies of men who have previously been earning unusually high wages without producing among them a strong feeling of resentment and unrest.

2. The National Employment Service should be strengthened and extended to aid in transferring men and women from war to peace industries.

3. Careful plans should be developed for the placement of the 4,500,000 soldiers before they are demobilized.

4. Better organization among the employers is necessary, for without organization there can be no real leadership and no constructive program can be carried out. It would also seem most essential that where associations of employers do exist, the membership should have a greater sense of loyalty to that association. They can learn much from the members of the labor organizations in the way of sinking their personal interests for the good of all in the industry. The industries in which capital and labor are both well organized and work under trade agreements, are the ones in which the fewest labor difficulties occur.

5. It is obvious that a people will not be content to sacrifice their all for democracy in a war, and when peace is won have nothing to say about the terms and conditions under which they spend half their waking hours. Whether we like it or not, whether we are going in the right direction or not, we are living in a period of organization. The day of unrestricted individualism is gone. There is no more reason to insist that those whose labor is their capital should deal as individuals than that each capitalist should be in business by himself. If people have a right to pool their cash capital in a corporation, the laborers have the same right to pool their labor capital in a union and deal collectively.

If an employer does not wish to enter into an agreement with a union, that is his privilege, but he certainly cannot justly refuse to enter into an agreement on wages and working conditions with a committee representing his own employees. In dealing with a

recognized union the employer has the advantage of knowing the union is protecting him from unfair competition as to wages and hours by competing firms, while a committee of his own employees can give no such guarantee. If the employers and men in an industry are thoroughly organized, wages and conditions can thus be stabilized and the turnover of labor caused by the men changing from shop to shop to get better wages can be avoided.

It must be remembered that early in the war a committee of six employers, representing the National Conference Board, and six representatives of organized labor drew up a series of principles for the guidance of the government during the war. One of these principles was that no man should be denied the right to join a union. All government labor adjustment agencies have recognized this principle and the consequence has been that since the fear of being discharged or discriminated against for belonging to a union has been removed, hundreds of thousands of men and women have become members of labor organizations. The employees in many industries, who before the war were not members of a trade union, are now fully organized.

A serious danger created by this rapid increase in union membership is that the new recruits to unionism are not disciplined in the methods or responsibilities of organization, and like all new converts will be apt to resort to fanatical and unwise measures. It is in backing the strong and conservative leaders of old and well-managed unions that employers can do most to safeguard their own interests and the welfare of the nation. Otherwise, with their new and untried power, the leadership of the unions may pass into radical and irresponsible hands. If we are to have a comparatively smooth return to peace conditions in industry, these facts must be recognized.

Most of the friction arising between employers and labor organizations is due to the arbitrary attitude of some foreman who is jealous of his dignity, or of similarly stupid action on the part of local union officials who wish to display their importance. If the men and the employers are well organized and deal with each other as national or district organizations, friction would be much reduced. As a rule the more important the position held by a man the greater his knowledge, the broader his vision and the wider his experience. As he assumes responsibility he becomes

conservative. As long as labor questions are left to men in subordinate positions, whether in a plant or union, men with very limited experience or opportunities, one is bound to meet with ignorance and prejudice.

6. Just as it has been impossible during the war, and will be impossible immediately on the return of peace, to permit the free play of the law of supply and demand, and has therefore been necessary to control the price of raw materials or finished products, so will it be disastrous to leave the questions of wages and hours to be determined by this same law. There is not a sufficient supply of labor to meet the demands of industry, for while millions of men are still in the army and immigration is cut off, the shortage will probably continue. If all labor adjustment agencies are at once suspended and each employer is left free to bid as he chooses, men will be drawn from shop to shop at ever increasing prices and a lessened output, due to the constant shifting.

In applying the law of supply and demand to the supply of labor, people forget that labor is not like raw material, for labor cannot be separated from the individual who performs the labor. The law of supply and demand can only apply, therefore, within certain limits. A man, in order to render an efficient return for the wage he receives, must have sufficient food, rest, reasonable conditions for his family and some relaxation. His wage cannot go below a certain point and permit of his retaining his productivity. Wages must therefore bear some relation to the cost of living. We cannot expect a general and sudden drop in present wages unless there is a corresponding lowering in the cost of living. In many occupations, however, owing to the pressure of war and the lack of sufficient government control, wages have risen far in excess of the increased cost of living and out of all proportion to the value of the service rendered. The only stabilizing influences have been the various government boards, whose duty it has been to adjust wages. The employers, on the other hand, have been the most demoralizing influence and on their shoulders must rest the responsibility for any excessive wages that are now being paid. They have evidently thought that by doubling the wage they could double the number of available men. They have followed the policy of simply bidding higher and higher without regard to whether the men were drawn from non-essential industries

or the most important war work. Where the government agencies have tried to restrain this practice, the employers have resorted to deception. They have classified men as helpers when they were doing laborers' work; as skilled mechanics, when they were helpers; called them foremen when they were doing mechanics' work; paid them for more work than was actually done, offered excessive payment for overtime; and permitted the men to lay off during regular hours and week-days, so as to enable them to work more overtime and on Sundays at extra pay. These are some of the methods employed to draw men to a particular plant at the sacrifice of production.

You may ask how the employer could afford such practices. He could not in normal times, under normal competitive conditions. Remember, however, that the government required the labor of more men in war industries than there were men. The employer did not have to sell his goods on a competitive market, for the government was taking all he could produce and demanding more. The government was therefore paying the bill, including the excessive wage. An employer apparently argued that if he could get the reputation of being liberal while his competitor adhered to a lower scale of wages, he would get the best and greatest number of men and so could turn out more war material and make more profits. He did not stop to think that by so doing he might draw men from equally important war work. These facts explain much of the cause for the present high average of earnings.

The employers who had direct contracts with the government, and therefore had to abide by wage scales fixed by government agencies, were at a disadvantage, owing to the uncontrolled bidding up of wages by subcontractors who had no direct government contact and were therefore not held to any particular wage scale. An excellent example of such a situation is that of the coppersmith trade, in the shipyards. The Shipbuilding Labor Adjustment Board fixed, in April, seventy-two and one-half cents an hour for the coppersmiths in the yards on the Atlantic Coast. The outside shops at once bid eighty-five cents and ninety cents an hour and took seventy-five per cent of the coppersmiths out of the shipyards, with the result that the shipyards were compelled to sublet their coppersmith work to outside shops. These shops



were not equipped with the expensive machinery necessary to perform the work efficiently, so that each coppersmith could produce less in a day than if he had remained in the shipyard. If, however, the Labor Adjustment Board had authorized an increase in the scale to meet the outside shop rate, the subcontractors would merely have advanced their rates ten or fifteen cents more, for the number of coppersmiths was limited and there were no more to be had. Thus, through the competition of employers for labor, the government was compelled to pay an exorbitant price for all coppersmith work used in the construction of ships. The same situation was more or less true in all other crafts.

7. While a law requiring compulsory arbitration is of little value where large numbers are involved, as it is impossible to punish thousands of violations, there is much to be gained by an agreement between employers and unions to arbitrate all grievances. It would seem, therefore, that one of the most effective means of obtaining a rapid and orderly change in industry from war conditions to those of peace would be the establishment of boards of arbitration composed of representatives of organized employers and organized labor, with an agreement that no strike or walkout should take place. As soon as the government ceased to take the greater part of the output of any industry, then the Government Labor Adjustment Agency, having jurisdiction in that field, should be dissolved. The responsibility for maintaining peace and production in that industry should then be placed in a board of employers and employees as described above. As long, however, as the government interest is paramount, the present government boards should remain.

Never has there been a time when clear thinking and patience, together with a willingness to submerge one's personal interests in the welfare of the nation, were more necessary. Unless our citizens as a whole prosper, we cannot prosper as a nation.



## Federal Policies for Women in Industry

By MARY VAN KLEECK

WITH the signing of the armistice, women in industry assumed a position in the public mind radically different from their status two weeks earlier. Two weeks before, government officials, employers, the wives, mothers and friends of soldiers and all the rest of the general public were showing lively interest in persuading women to undertake new occupations in order to release men for the war and to serve with adequate supplies those already at the front. With peace in sight the change seemed to be swift and radical. The question heard most frequently was whether women would now retire from industry. At least one central labor union passed a resolution calling upon women to give up their positions in order that there might be place for returning soldiers. For the moment it seemed as though the remarkable recognition of the importance of women's work in the war was leaving no permanent impression. The old idea that their position in industry was a transient one was now uppermost in the public mind with the added strength of a patriotic appeal to recognize the right of the soldier to his job. The issue thus raised cannot be settled in a few weeks. About the answer to it will center the policies to be adopted by federal and state agencies and by those voluntary associations of employers and workers through which standards governing the employment of women are established.

No wise policy for the period of readjustment can be developed without clear realization of the position of women in industry during the war and the lessons for industry which the war taught. The outstanding fact was the change in attitude toward the work which women could do. Illustrations of their new occupations occur readily to mind. They have been conductors on street cars, elevator operators, taxicab drivers, railroad employes in a variety of occupations and machine operators in branches of the machinists' trade usually considered men's work. It is not to be forgotten that before the war there were very few large industries in the country in which there were not some women employed, so that the change was not so much the work which they did as the

attitude of employers and the public toward it. As the war went on it was expected of the progressive employer that he would find in his organization as many places as possible for women, and the space given in magazines and newspapers to descriptions of the successful employment of women in unusual work gave evidence of the keen interest in breaking down barriers.

With the employment of women in new positions and the necessity for keeping production at its normal level, experience very soon taught that there were conditions which made for the effective employment of women and that there were conditions which put obstacles in the way of their producing satisfactory results. This fact led to the organization of agencies in the federal government to study the conditions of women's employment and to advise the industries regarding hours, wages and proper working environment. The Ordnance Department, faced with an enormous production program, organized as part of its Industrial Service Section a women's branch with representatives in every district office of the department and in the arsenals employing women. The U. S. Railroad Administration established a women's section in its Labor Division. With the organization of the War Labor Administration, established by appropriation from Congress early in the summer of 1918, the Woman in Industry Service began its work as part of the Department of Labor. Its function was to advise the Secretary of Labor on all matters affecting the employment of women. As the secretary had been designated by the President as the Labor Administrator, to develop consistent national policies for labor during the war, this position of the Woman in Industry Service was an important one. The Woman in Industry Service was also represented on the War Labor Policies Board, organized to represent those departments of the government concerned with production for the war, and concerned therefore with labor problems as a fundamental aspect of production.

Several different statements of standards which should govern the employment of women were issued by various agencies associated in the War Labor Administration, and these formed for the first time a definition of the policy of the federal government. General Orders No. 13 by the Chief of Ordnance, which were issued simultaneously by the Quartermaster General as sugges-

tions to manufacturers working on contracts for those departments and to plants under the control of the government, declared that the eight-hour day, prohibition of night work, one day of rest in seven, a minimum wage based on the cost of living, and equal pay for women doing the same work as men, were the "mechanisms of efficiency." Similar conditions were urged by the Committee on Women in Industry appointed by the Committee on Labor of the Advisory Commission of the Council of National Defense. The U. S. Railroad Administration also adopted the principle of equal pay for equal work. In the statement of national policies which should underlie industrial relations during the war, formulated by the War Labor Conference Board and confirmed by the President when the War Labor Board was appointed, it was stated that "if it shall become necessary to employ women on work ordinarily performed by men, they must be allowed equal pay for equal work and must not be allotted tasks disproportionate to their strength." At the same time all of the other principles laid down by this board, such as the right to collective bargaining, applied also to women workers.

The great gain in this consensus of opinion of the various federal agencies rests upon the fact that the statements were issued when the whole energy of the country was concentrated upon production. Standards for which the labor movement and those public-spirited citizens interested in labor legislation had struggled for many years, thus during the stress of war received the sanction of the federal government as conditions essential to satisfactory production.

The means of enforcement were found in the two-fold relation of the government to industry, first as an employer of labor in government-owned plants, and second as the largest purchaser of the products of industry during the war. Certain provisions regarding labor conditions were written into the contracts. Early in the war the contracts with the Quartermasters Department contained clauses prohibiting the giving out of army clothing to be made or finished in tenements. One of the first acts of the War Labor Policies Board was its recommendation that the provisions of the Federal Child Labor Law, which had recently been declared unconstitutional by the Supreme Court, should be written into contracts of all the producing departments repre-

sented in the board. Shortly afterward a clause requiring full compliance with state labor laws was added to the contracts and at the same time officials of state departments of labor were deputized by the Secretary of War, the Secretary of the Navy, the Director of the Shipping Board and the Director of the Housing Corporation to coöperate with federal agencies in enforcing this contractual obligation.

It should be noted that the contracts never contained all of the provisions included in the standards issued by the various government departments for the employment of women. For example, the principle of the same wage for the same work was not included as a contractual obligation. From the point of view of enforcement the significant fact in the conditions of women's work during the war was the insistence of the federal government upon the observance of state labor laws. In its statement of policy the federal government went much further and laid the basis for high standards in state labor legislation.

Immediately after the signing of the armistice, the relation of the federal government to labor conditions changed, since its power of enforcement resting on its contracts with industry was decreased with the curtailment of contracts. For women workers, therefore, the problem during the period of readjustment is to find new means of enforcement of standards which have received such authoritative sanction from the nation at war. The agencies to be relied upon now include the states, through labor legislation and through vocational training; the industries, through the voluntary adoption of high standards of labor conditions in shop organization; and working women themselves, through the strengthening of collective action by them. Clearly, the three groups will need the leadership of federal agencies since in peace no less than in war the problems of labor are questions of national importance.

Within a month after the signing of the armistice the Woman in Industry Service of the Department of Labor with the approval of the Secretary of Labor issued the following statement of standards which should be a guide in the employment of women after the war. The statement is based on the experience of the nation during the war. It has been endorsed by the War Labor Policies Board.



### Standards Recommended for the Employment of Women

(In the following outline the word "shall" and the darker type indicate those provisions which are of the most vital importance.)

#### I. HOURS OF LABOR

1. **DAILY HOURS.** No Woman Shall Be Employed or Permitted to Work More Than Eight Hours in Any One Day or Forty-Eight Hours in Any One Week. The Time When the Work of Women Employees Shall Begin and End and the Time Allowed for Meals Shall Be Posted in a Conspicuous Place in Each Work Room and a Record Shall Be Kept of the Overtime of Each Woman Worker.

2. **HALF-HOLIDAY ON SATURDAY.** Observance of the half-holiday should be the custom.

3. **ONE DAY OF REST IN SEVEN.** Every Woman Worker Shall Have One Day of Rest in Every Seven Days.

4. **TIME FOR MEALS.** At Least Three-Quarters of an Hour Shall Be Allowed for a Meal.

5. **REST PERIODS.** A rest period of ten minutes should be allowed in the middle of each working period without thereby increasing the length of the working day.

6. **NIGHT WORK.** No Woman Shall Be Employed Between the Hours of Ten P.M. and Six A.M.

#### II. WAGES

1. **EQUALITY WITH MEN'S WAGES.** Women Doing the Same Work as Men Shall Receive the Same Wages with Such Proportionate Increases as the Men Are Receiving in the Same Industry. Slight changes made in the process or in the arrangement of work should not be regarded as justifying a lower wage for a woman than for a man unless statistics of production show that the output for the job in question is less when women are employed than when men are employed. If a difference in output is demonstrated, the difference in the wage rate should be based upon the difference in production for the job as a whole and not determined arbitrarily.

2. **THE BASIS OF DETERMINATION OF WAGES.** Wages Should Be Established on the Basis of Occupation and Not on the Basis of Sex. The Minimum Wage Rate Should Cover the Cost of Living for Dependents and Not Merely for the Individual.

#### III. WORKING CONDITIONS

1. **COMFORT AND SANITATION.** State labor laws and industrial codes should be consulted with reference to provisions for comfort and sanitation. Washing facilities, with hot and cold water, soap and individual towels, should be provided in sufficient number and in accessible locations to make washing before meals and at the close of the work day convenient. Toilets should be separate for men and women, clean and accessible. Their numbers should have a standard ratio to the number of workers employed. Workroom floors should be kept clean. Dressing rooms should be provided adjacent to washing facilities, making possible change of clothing outside the workrooms. Rest rooms should be provided. Lighting should be arranged so that direct rays do not shine into the workers' eyes. Ventilation should be adequate and heat sufficient. Drinking water should be cool and accessible with individual drinking cups or bubble fountain provided. Provision should be made for the workers to secure a hot and nourishing meal eaten outside the workroom, and if no lunch rooms are accessible near the plant, a lunch room should be maintained in the establishment.



2. **POSTURE AT WORK.** Continuous standing and continuous sitting are both injurious. A seat should be provided for every woman employed and its use encouraged. It is possible and desirable to adjust the height of the chairs in relation to the height of machines or work tables, so that the worker may with equal convenience and efficiency stand or sit at her work. The seats should have backs. If the chair is high, a foot rest should be provided.

3. **SAFETY.** Risks from machinery, danger from fire and exposure to dust, fumes or other occupational hazards should be scrupulously guarded against by observance of standards in state and federal codes. First aid equipment should be provided. Fire drills and other forms of education of the workers in the observance of safety regulations should be instituted.

4. **SELECTION OF OCCUPATIONS FOR WOMEN.** In determining what occupations are suitable and safe for women, attention should be centered especially on the following conditions which would render the employment of women undesirable if changes are not made:—

A. Constant standing or other postures causing physical strain.

B. Repeated lifting of weights of 25 pounds or over, or other abnormally fatiguing motions.

C. Operation of mechanical devices requiring undue strength.

D. Exposure to excessive heat,—that is, over 80 degrees, or excessive cold,—that is, under 50 degrees.

E. Exposure to dust, fumes, or other occupational poisons without adequate safeguards against disease.

5. **PROHIBITED OCCUPATIONS.** Women Must Not Be Employed in Occupations Involving the Use of Poisons Which Are Proved to Be More Injurious to Women Than to Men, Such as Certain Processes in the Lead Industries. Subsequent rulings on the dangerous trades will be issued.

6. **UNIFORMS.** Uniforms with caps and comfortable shoes are desirable for health and safety in occupations for which machines are used or in which the processes are dusty.

#### IV. HOME WORK

1. No Work Shall Be Given Out to Be Done in Rooms Used for Living or Sleeping Purposes or in Rooms Directly Connected With Living or Sleeping Rooms in Any Dwelling or Tenement.

#### V. EMPLOYMENT MANAGEMENT

1. **HIRING, SEPARATIONS AND DETERMINATION OF CONDITIONS.** In establishing satisfactory relations between a company and its employes, a personnel department is important charged with responsibility for selection, assignment, transfer or withdrawal of workers and the establishment of proper working conditions.

2. **SUPERVISION OF WOMEN WORKERS.** Where women are employed, a competent woman should be appointed as employment executive with responsibility for conditions affecting women. Women should also be appointed in supervisory positions in the departments employing women.

3. **SELECTION OF WORKERS.** The selection of workers best adapted to the requirements through physical equipment and through experience and other qualifications is as important as the determination of the conditions of the work to be done.

#### VI. COÖPERATION OF WORKERS IN ENFORCEMENT OF STANDARDS

1. The Responsibility Should Not Rest Upon the Management Alone to Determine Wisely and Effectively the Conditions Which Should Be Established. The Genuine

Coöperation Essential to Production Can Be Secured Only if Definite Channels of Communication Between Employers and Groups of Their Workers are Established. The Need of Creating Methods of Joint Negotiation Between Employers and Groups of Employees is Especially Great in the Light of the Critical Points of Controversy Which May Arise in a Time Like the Present. Existing Channels Should Be Preserved and New Ones Opened if Required, to Provide Easier Access for Discussion Between Employer and Employees.

The new note in this outline is in the paragraph which deals with the basis of determination of wages. The principle of equal pay for equal work is but a partial step. In its application during the war, one employer, for instance, objected to paying women in one department the wages which men in the same position had been earning, while women in an adjoining department were receiving about half as much for work which was different but no more difficult to learn. In the opinion of this employer this indicated that women's rates should be established in the occupations hitherto filled by men. If the principle of equal pay for equal work be as sound as the support of it during the war would seem to indicate, such an instance suggests an anomaly of long standing in basing wages not upon occupation but upon sex. Undoubtedly there will be great differences in wage rates in different processes and in different industries, but the difference should not be due to the fact that certain occupations are filled more largely by women than by men.

The comparative wages of men and women will be the most crucial problem of the readjustment period. As women have entered a wider range of occupations it will be possible for them to become the unwilling competitors of men in lowering standards of wages. Moreover, now as before the war, women are working to earn a living and the facts show that many are also supporting dependents. Low wages for women mean an inadequate standard of living in the families in which they are the chief support. Low wages for women mean a lower wage scale in those industries in which they are entering in large numbers. The upbuilding of the country after the war will depend upon the possibility of maintaining and raising the standards of living. A theory of wages which establishes a lower scale for approximately one-fourth of the workers of the country, that is, the women, is a menace to the standard of living of the country.

The right of the returned soldier to his job is not a labor policy

upon which to build a program for women in industry. It is a matter of the relation between a firm and the soldier, and public opinion has endorsed as fair and just the determination of many companies to reinstate the men who have gone to war. In many instances, however, the former positions of the soldiers are not held by women but by men. This is not a problem of women's work, nor is the position of the woman holding a soldier's job any different from that of a man who has taken his place. For both men and women workers the immediate task is to accomplish the change from a war basis to a peace basis with the least possible unemployment and with the reinstatement of the largest number of soldiers and war workers in normal occupations for which they are best adapted. The task of production ahead is enormous, with the rebuilding of those things which have been destroyed during the war and with the opening up of new markets. This presents, therefore, a task of organization of industry in such a way as to utilize to the full all of the available working forces of the country.

Women before the war have constituted an important part of the working force of the country. If the tendencies clearly reflected in their increasing employment in the century before we entered the war are to be a guide, then the problems of women in industry are evidently a permanent part of the labor problem which the country now faces. The experience of the war gives ground for optimism if out of it can be evolved more effective state action, and most fundamental of all, a new spirit and method of self-government in industry which shall give equal recognition to women workers.

## Can We Eliminate Labor Unrest?

By ROBERT W. BRUÈRE

**E**MLOYERS who want a stable labor force almost invariably prefer married men. Married men are steadier, they say. They are less capricious, their ears are not so keen to catch rumors of better jobs elsewhere or so ready to listen to the trouble-making agitator. The first answer to the question concerning the elimination of labor unrest is suggested by this preference of the employers. If you want to anchor the worker, pay him a living wage, not an individual living wage, but enough to keep him and his family in health and decency and comfort, enough to enable him to feed and clothe his children well and to give them a thoroughgoing education. The government has announced that the minimum comfort wage for an average American family is \$1,400. A national minimum wage of \$1,400 would be a good beginning toward the elimination of labor unrest.

### COMPLEMENTARY EARNINGS AND WAGE SCALES

But any self-respecting American worker today wants to feel that he is his own man, that his job and his wage are free from the taint of his employer's beneficence, free from the taint of pseudo-charity. He wants to be in a position to command what his work is worth, so that he will not be compelled to force his wife and children into the factory to make both ends meet. Too many employers are in the habit of interpreting the family wage as meaning the total earnings of all the members of the family, rather than the wage paid to the head of the family alone. The country is dotted with human by-product industries, industries that exploit the labor of women and children compelled to go to work because the earnings of the father are inadequate. It is not to the best interest of a democratic community that the father should be forced to be a party to the exploitation of his wife and children. If they are to go to work, as under certain circumstances they may find it desirable to do, their earnings should be-



long to them as a family reserve for the luxuries that make up the amenities of life, and for insurance against sickness, for education and such holidays as all healthy-minded people should be free to enjoy at reasonable intervals.

#### LABOR UNIONS AS AGENCIES FOR ELIMINATING UNREST

In order to be free to command what his work is worth, the worker must have his feet on solid ground outside of the jurisdiction of his employer. And the only practical way in which he can secure this independent footing is by joining and energetically supporting the union of his trade or industry. A non-union man today is economically free only by accident; his union card is his only real insurance against economic dependence, against dependence upon the good-will of his employer for his chance to earn a living. Next to a guaranteed minimum family wage, the union is the most efficacious agency for the elimination of labor unrest. Incidentally, except in the case of the lower paid women workers, the union has been the most potent influence in the establishment of a family wage for its members.

The union performs another important function of the same nature. For the unmarried man and especially for the single man who has cut loose from his family ties, it is, even more than the church and the lodge, the substitute for the family itself. When a trade or an industry is well organized, the union carries the labor reserve for the industry and is generally, as in the coal fields and the photo-engraving trade and the needle industry, in a position to keep the employer supplied with a relatively steady flow of skilled men.

#### THE IMPORTANCE OF A PERSONNEL MANAGER

But a family wage and the influence of the union are not enough. One of the most fertile causes of labor unrest is the brutal and unnecessary monotony of work in the modern machine-equipped factory, mine or mill. Whether he is definitely conscious of it or not, a workman's nerves are gradually upset by dirty and slipshod shop conditions and by the monotony of the endless repetition of stupid processes. To eliminate labor unrest and so to reduce labor turnover, the enlightened employer will give his personnel manager equal rank with his sales and technical manager. In



any well-equipped plant, there should be a man of high intelligence and social imagination whose exclusive business it should be to select workers in accordance with their fitness for the jobs they are expected to fill and to vary their work so as to prevent the development of ennui, staleness and a vague sense of futile monotony. The personnel manager should be entrusted with the supervision of the cleanliness and physical upkeep of the shop, with the provision of decent toilet and washroom facilities, lunch room and all the human and domestic comforts which gave dignity to the workshop of the old home-staying guild craftsman. And the authority of the personnel manager in all matters affecting the health and comfort of the men should be coördinate with the authority of the works-superintendent over the strictly technical processes of manufacture.

#### FULL PLAY FOR THE CREATIVE IMPULSE

But again, mere physical comfort within the shop is not enough. Many plants reasonably well-equipped along housekeeping lines have found that the workers fail to appreciate the good things that are "done for them." A self-respecting workman does not want to have nice things done for him, any more than he wants to be beholden to his employer's beneficence for his job. He has an instinctive desire to participate in the control of the conditions under which he works and, again, to participate as a right and not as a favor. He wants to have an opportunity—though of course he has often not developed a conscious definition of his want—to exercise his creative instinct both in shop organization and in the improvement of the technique of his job. Many workers behave like clods untouched by the living breath of God, not because they are clods really, but because the entire organization of most modern plants conspires to snuff out the creative spark that is the universal inheritance of all reasonably normal men.

#### SCIENTIFIC MANAGEMENT AND LABOR UNREST

But does this not lead us directly to "scientific management," the Taylor system and all the rest? It is unnecessary to go into all the reasons why skilled workmen, and especially the workmen whom the unions have begun to socialize, hate "scientific management." The best statement of this problem which I know,

was made by the late Robert G. Valentine in a letter to one of Mr. Taylor's most ardent disciples:

In attempting to analyze the effect of time study on an industry, I believe it important to distinguish clearly between the use of time study for the purpose of analyzing a job and the use of time study for the purpose of setting tasks after a job has been analyzed.

In practice, time study today is made by the employer for the benefit of the employer, and only such benefit accrues to the worker as in the judgment of the employer is necessary to produce a result beneficial to himself. This is the utmost extent to which the worker can be alleged to share. On the other hand, as industry is at present organized, with the control of this matter in the hands of the employer, both the individual worker and all his fellows stand, both directly and indirectly, to lose in this matter:—because time study, together with the whole process of thoroughgoing analysis of jobs, tends steadily to reform the whole industrial process. Theoretically also this may be a completely excellent thing for society. Practically, however, it is on a certain stability in basic industrial organization, changing only from time to time and not existing as a perpetual flux, that the worker has heretofore been able to take his stand and win for himself the shorter hours of labor, the higher wages, the sanitary working conditions, and above all an attitude of growing, intelligent understanding and respect for him as a man on the part of the employer. All of which things would never in the world have come to the worker from the hands of the employers. These are things that only come to those who win them. It is perfectly clear to me, therefore, that the workers cannot wisely submit or consent to any industrial method like time study which tends so to shift the ground on which they stand under their feet, *unless* they have an actual share with the employer in creating new ground on which they themselves will be as strong as they were on the old. Under those conditions and under those only can they be expected to cooperate in the demolition of the old ground.

#### DEMOCRATIC ADMINISTRATION THROUGH JOINT INDUSTRIAL COUNCILS

If we are to meet the conditions suggested by Mr. Valentine, we shall have to devise a much more democratic administrative mechanism than any so far proposed by the organized employers or even by the organized workers of America. What seems to me the most promising approach to the problem stated by Mr. Valentine is that outlined by the Whitley Committee for the British Ministry of Reconstruction. The Bureau of Industrial Research, with which I am associated, has just published in a single volume reprints of all the Whitley Committee's reports and the record of the Joint Industrial Councils of England so far as they have reached this country. I may here quote a few sentences giving the gist of the Joint Industrial Council scheme.

In their first report on Joint Industrial Councils, the representative employers and trade unionists who composed the Whitley Committee recommended the following:

The establishment for each of the principal well organized industries of a triple form of organization, representative of employers and employed, consisting of Joint Industrial Councils, Joint District Councils, and Works Committees, each of the three forms of organization being linked up with the others so as to constitute an organization covering the whole of the trade, capable of considering and advising upon matters affecting the welfare of the industry, and giving to labor a definite and enlarged share in the discussion and settlement of industrial matters with which employers and employed are jointly concerned. . . . For trades in which organization is considerable but not yet general, a system of joint councils with some government assistance which may be dispensed with as these industries advance to the stage dealt with in our first Report.

Taking our first and second Reports together they constitute a scheme designed to cover all the chief industries of the country and to equip each of them with a representative joint body capable of dealing with matters affecting the welfare of the industry in which employers and employed are concerned, and of caring for the progressive improvement of the industry as an integral part of the national prosperity.

It is important to note that the Whitley plan as compared with what has come in America to be known as the Rockefeller Plan, provides for the representation of the workers through their unions which have their feet on independent ground outside the jurisdiction of the company.

#### SUBSIDIARY POINTS IN A PROGRAM TO ELIMINATE UNREST

There is no room in so brief a note as this to go into the bearing upon labor unrest of an effective system of employment exchanges, of plans for the proper housing of workmen's families, of coöperative buying and selling, of the dozen and one equally important subsidiaries to the main planks of a modern program for the elimination of labor unrest. Most of them will be found stated far more authoritatively than I can state them in the Report on Reconstruction made to the British Labor Party by its extraordinarily competent sub-committee and reprinted for distribution in America by *The New Republic* of New York. The most important immediate requirements, as I see them, are,—the national establishment of the minimum family wage for all adult workers, male and female; the extension of the principle of organization in industry, both on the side of the employers and the workers; the constitutionalizing of industry through the development of joint industrial councils on a national as well as upon a district and local community basis; and the addition to these councils, as to the staff of each manufacturing plant, of experts in human psychology whose entire business it should be to satisfy the healthy craving of the workers for decency, cleanliness and light in the

places where they spend the greater part of their effective lives and to inspire both employers and workers with the fundamental human worth of creative workmanship. When industry itself becomes the great school of creative workmanship and of service to mankind through production freed from the curse of sabotage as now practiced by employers quite as extensively as by wage workers, we may hope that labor unrest will begin to disappear.

## Post-War Causes of Labor Unrest

By MALCOLM KEIR

**P**ROPHECY is a hazardous enterprise, not only because the conditions upon which predictions are made so often shift, but also because what can be foreseen may be forestalled. In these fast-moving times, what is prophecy in November, when this is written, may be history in January, when it is read. It is with diffidence then that there are here set down a few of the factors in war industry that seem to portend labor problems. What appear to be among the most obvious elements of future unrest are the control of the government over industry; the administration of organized labor; the entrance of women into new types of work; the ban of the "color line"; the policy toward immigration; and the adjustments to war-made improvements in machinery.

At the beginning of the war, after the government had assumed rigid control over fuel, raw material, and quality, quantity or variety of product, it discovered that output of imperatively necessary articles was vitally hampered by the friction between employers and employees upon long-standing issues regarding hours, working conditions, wages and the rights to organize. It became the duty of the federal authorities to prescribe the internal policies of private business in order that the war program might go forward at full speed. The procurement divisions of the army and navy inserted stipulations in their contracts that established labor's long cherished principle of the eight-hour day with extra pay for overtime and double pay for holidays; granted the privilege of collective bargaining; assumed the right to select arbitrators; and insisted upon the formal adjustment of grievances. Boards, commissions and departmental divisions were created to preserve amicable industrial relations. For the most part these bodies went beyond the contract provisions by defining and upholding legitimate collective labor activities and enforcing their decisions by the threat to cancel contracts or commandeer plants.

These drastic measures were supported by public opinion, and



accepted for the most part in a patriotic spirit by employers; but no reform so sweeping could hope to win universal approval. Since the contract was the basis for the new labor regulation, some Chicago manufacturers tried to escape by first securing the award of a contract but purposely neglecting to sign it until the work was completed, a quibble that was unavailing but nevertheless significant of an underlying purpose to thwart labor dominance. A case involving the Smith & Wesson Co., of Springfield, Mass., wherein an award of the War Labor Board so upset long established customs in the plant that the officers preferred to lose their works through commandeering rather than submit, is typical of the attitude of a considerable number of conservative establishments toward outside interference in their business. On the whole, however, the government's war labor policies met with little opposition.

But men who willingly supported the government during war may not be so compliant in peace. Possibly some one will contest the whole regulatory program, and it is doubtful if our federal machinery for the conduct of war-industry could bear the microscopic examination of the law. A court might have difficulty in establishing the validity of the boards operating in Washington or of labor improvements enforced through a contract where a man had no choice but to sign. Such legal battles are likely to be attended by labor troubles because neither employers nor employes will yield their supposed rights or privileges without attempting coercion. Then, too, men who submitted to necessity during war but whose prejudices against labor were magnified by the petty tyranny incidental to the suddenness of labor's power, will fight against the retention during peace of any part of the war labor program. One influential officer of a great clothing concern said recently: "I am sick of the daily demands of labor committees or union leaders. *I am looking for the day when I can see a million men outside my office begging work: then we can teach labor some sense.*" For that man—and all of his type—labor controversy is inevitable. It is also clear why all such men will try to do their utmost to sever private business from public supervision.

Government control of industry, however, can hardly terminate with the war. A laissez-faire policy would result in the over-

production of some articles and the lack of others, with a consequent loss of materials, profits and labor. But if the government steers industry back into peace it will be forced to finance many concerns wrenched far out of their customary routine by the war. By its control of the purse the federal authority may also demand continued concurrence in the labor policies inaugurated during the war. If firms whose financial standing enabled them to readjust without assistance opposed the government's labor standards, agreement might be reached by the government's refusal of raw materials until the standards were acknowledged.

So long too as the War Department has millions of men under its discipline and must devise a method of release that will be fair to men and industry alike, the continued government control of industry is necessary. The danger of simultaneous demobilization is so obvious that it is little likely to arise, but a gradual demobilization will be only a little less disastrous if the ex-soldiers are not discharged into a job instead of onto the street. The government must become a great employment manager; it has the records of each soldier's capabilities; it has the machinery for making use of this knowledge in the draft boards or the United States Employment Service; all it needs is accurate information as to where the labor can be most effectively applied. These facts can best be obtained if the government itself prescribes what shall be produced, where, by whom and in what quantities or qualities. The government in coöperation with states and cities might also provide "buffer employment" upon public work held up by the war but for which funds have been provided. If the government does assume the functions of a great employment manager, then it could easily lay down the terms upon which labor could be secured and retained, thus assuring to labor the privileges gained during the war. If it carries over into peace its war labor policies, it will discover prolific seeds of discord in its attempts to standardize wages and to extend the scope of the United States Employment Service.

It is expected that if wages were equal everywhere for the same work, competition would be confined to service, management and quality and not depend upon exploiting labor. The attempts to standardize wages during the war aroused protests from employers because they did not see any justice in forcing those in small

towns to meet the wage set by the higher costs of the city. Laborers, too, did not like to be pinned down to a standard in communities where they felt themselves strong enough to force wages to a high level. To these objections would be added the difficulty of setting up in peace time a standard product. In war the mills made the same articles, on the same specifications, for the same market, but the infinite variety of peace business would give ground for so many deviations in pay that a standard would be hard to set and harder to maintain and would probably become an ever present bone of contention.

During the war, the United States Employment Service was inaugurated to prevent excessive turnover of unskilled labor, and employers were compelled to use it exclusively. Since during the war the service could not entirely restrain manufacturers from enticing labor from each other, the first few months of peace will probably witness many more violations inasmuch as the incentive will be greater and the restraint less. This situation will produce its own measure of trouble. If in addition skilled labor is put under the service, the difficulty of determining the degrees and grades of skill will keep the storms going. There is a movement afoot also to make a physical examination a part of the Employment Service with the idea of better fitting people to their jobs. This reform when launched is certain to raise a whirlwind. Sentimentalists and organized labor will both oppose it; the former because they cannot bear to think of men being tested like metal—a foolish notion but popular nevertheless; the latter because they fear a physical test will be used by employers as a means of “blacklisting.” The service, however, is such an advance over private agencies that it ought to be aided to ride out all storms.

By no means all of the labor problems of peace are connected with the government control of industry; some are more intimately attached to organized labor. The conservative union leaders were in power during the war and rasped the radicals exceedingly by not taking a much fuller advantage of their position. The very success of unionism whetted the appetite of the radicals for extreme measures. Success, also, has bred autocracy. Certain leaders have become so dictatorial that their followers will seize the first chance to overthrow them. An attempt of this sort held up the shoe industry for weeks during the war, seriously

impairing the supply of shoes to the army. On the other hand, some local unions have so advanced in comfort and well-being that they resent the interference of national officers and chafe under restriction. Shipbuilders on the Pacific Coast and machinists in Bridgeport, Conn., were held in line in 1917 and 1918 only by the most drastic threats. The prestige of unionism is seriously impaired by such incidents, and whole localities are set in uproar. The germs of trouble are well sprouted within the unions and reconstruction controversies will provide an excellent culture for their growth, especially if the national officers are not strengthened by tacit or avowed government aid.

Organized labor, too, is not united into one universal federation. To be sure, the American Federation of Labor holds sway over most of the trades, but there are some notable exceptions. For example, in the clothing industry there are two organizations, namely the United Garment Workers, affiliated with the American Federation, and the Amalgamated Clothing Workers of America, a secessionist group of considerable strength. Before the war the feeling between these two was such that when war broke out it was impossible to set up in the clothing industry a board of mediation—as was done in other trades—having upon it a union representative. During the war the feud was not abated. Unless the breach is closed by a new policy of conciliation or unless changes in officials open the way for peaceful reunion, bitter clashes between these two unions cannot be avoided. Manufacturers also will not be averse to taking whatever advantage accrues to them by reason of this disaffection, adding fuel to an already surcharged flame.

Unions and labor in general, during the war, became so intent on wages that they forced themselves into an untenable position. Although wages must always advance with the cost of living regardless of production, nevertheless even with rising costs of living there comes a point in the rapid uptrend of wages beyond which further increases cannot be granted unless offset by greater service. Unfortunately war wages were not always accompanied by a production that warranted the price paid. For example, girls with little training were paid fifteen dollars a day or more for making overseas caps; cantonment builders received about twenty dollars a day; certain coal miners drew twenty-two dollars



a day;—yet in each case the workers struck for even higher returns. In each instance the employers complained that the increases in wages were followed by a *fall* in production. Labor must learn that extraordinary wages must be *earned*, for no employer can long afford to pay more for a service than he gets out of it. Certain economists might support the labor on the ground that the high wages come out of a surplus which belongs to the man who can get it; formerly swelling profits, it now inflates wages. The trouble is that we cannot compute the exact size of the surplus, and cannot estimate the relation between surplus and production per man. At any rate we can expect manufacturers to fight for their accustomed profits, and labor to struggle to hold its grip on a fat pay envelope.

The war gave us new practices in regard to government control and intensified many of the problems connected with unionism, but in no place did it so completely upset preconceived notions as in the field of women's work. The war gave the finishing blow to the old tradition that woman's only place was in the home. Our grandfathers saw the first attack on the fallacy when a few women tried to get a higher education and gain a career; our fathers witnessed the fall of the barriers that excluded girls from business positions; and now we mark the downfall of the custom that kept married women from gainful occupation. The "newest woman" does not make a choice between a husband and a career but wants both. The war-time employer having exhausted every other source of labor turned to the married women and appealed to their patriotism, their pocketbooks or their zeal for feminine advancement to get them to fill the gaps in industry. Special buildings, welfare work, machinery and hours were arranged in order that married women could coördinate their functions as homebuilders and breadwinners. Day nurseries, for example, were set up in the Connecticut brass and munitions districts in towns that had never heard of them before, and the American Woolen Co., of Lawrence, Mass., went further in granting recess twice a day to mothers during which they could go to the nearby nurseries and play with their own children. Neither employers nor mothers and wives will want to forego the advantages that this new employment grants. Given an opportunity it has been shown that sex is no more the determinant of what occupation a



woman should hold than it is in the case of men. *For both men and women the choice is a matter of individuals.* If this idea is accepted it means a great accretion to the labor force of the United States, and therein lies the kernel of trouble and the real cause for much false solicitude for the welfare of women workers.

Probably the immediate struggle against women's continued participation in industry will not involve positions requiring high degrees of skill or long training, but rather those formerly occupied by semi-skilled or unskilled men. Since many partly incapacitated soldiers will also be seeking this same type of work, much clamor may be raised to oust the women. If men fail in their selfish claims for priority they will then in all likelihood shift their attack to wages and try to compel employers to pay the same rates for the same work irrespective of the sex of the employee. Between these two campaigns the woman question bids fair to be the center of industrial dispute for some time to come.

Another social change instigated by the war and having as direct a relation to labor problems as the "woman question" is the industrial emancipation of negroes. Heretofore there has been little mingling of the white and colored peoples upon the same jobs, but the war gave the colored folk an unusually favorable opportunity. They advanced the argument that they had been thorough Americans for more generations than many of their white fellow-citizens; they paid taxes, bought bonds, supported war charities and gave their best sons in sacrifice to the war; they were good enough to die for their country so they ought to be good enough to work for it. This argument plus a vital need for every person willing to labor led to placing negroes in offices in responsible clerical positions and in shops at high grade machine work. The yoke that had held negroes in bondage to unskilled labor was at last lifted. It will require much sophistry to persuade negroes that they must give up their new jobs to white men or women when the war is over. Labor unions must face the issue of including negroes in their ranks and white workers must learn that democracy has a place in the factory or office as well as in international debate. Prejudice is so strong, however, that the negroes cannot hold their new found freedom without many a struggle and many a heartache. The battle in the industrial arena may be carried again into politics because having gained economic

equality the negroes may demand the political rights guaranteed by the constitution.

One of the great contributing factors to labor's power during the war was the shutting off of immigration. Enjoying its virtual monopoly, American labor will endeavor to continue it by seeking restrictive measures against immigrants. On the other hand employers will exert their power to regain a constant flow of immigrants, thereby hoping to loosen labor's throttle grip. This question must be threshed out in the near future here in America, but whatever action we take may be offset by conditions at the source of immigration. Legal restriction of emigration may counterbalance a free welcome at our ports. Economic conditions at home, greater opportunity or burdensome taxation may constrict or swell the volume of the human current pouring through our gates. If the stream is checked at its source American employers may look to new recruiting points. For example, 10,000 Porto Ricans were brought into the United States and 30,000 more were enrolled to come for construction work during the war; thousands of Mexicans were drawn into the mines of the Southwest and Chinese were imported to the Pacific states. If this type of immigration is encouraged because the older springs are dried up, a whole series of new problems confront us. Our relations with Porto Rico are already complicated by the complaint of planters against the withdrawal of their labor.

Causes for unrest lie in the relations between organized government and individual employes and employers, between organized government and organized labor, between men and women in industry, between white and black, and between native and alien labor units. As a final factor, machinery enters once more as an element in labor problems. Whatever forces tend to make labor scarce and high priced directly further the utilization of machinery. The Civil War was largely responsible for popularizing farm machinery and was the immediate cause for putting shoe manufacture upon a machine basis. Likewise, our latest war acted as a marked stimulus toward improving mechanical equipment. For illustration, the use of machines in mining was greatly advanced; mechanical conveyors replaced labor in many industries; machines were simplified and made more nearly automatic to permit women and untrained men to operate them.

By raising the price of labor and increasing labor turnover, the war rendered machinery economical, and by the enlarged profits of war business or by governmental underwriting, manufacturers were enabled to afford new machines. Since the labor scarcity made wages high even to operators of highly perfected machinery, the usual objection of labor to improvements was lacking. Even if wages fall now that war is over, the machines will stay in place because the capital charges have been defrayed and even the cheapest labor cannot compete with a free machine. Inasmuch as the machines have been perfected so they may be operated by a lower grade of labor, when the former skilled men come back for their jobs many will discover that theirs have vanished. This can hardly fail to arouse animosity and make the adjustment to peace doubly difficult. The strife over women in industry will also be intensified by the new machinery, because the inventions have made women available for work that formerly was exclusively masculine.

The whole reconstruction problem relative to labor is complicated by the question of politics. The degree of government control over industry will depend somewhat upon which party is in power; and the final disposition of the issues of organized labor, women in industry, negro uplift, immigration and the full use of advances in mechanism, will be contingent upon whether Republicans or Democrats hold the reins. In any event we will all need to exercise restraint, forbearance and wisdom in the labor problems that surely confront us in the days now at hand.

## Measurement of the Cost of Living and Wages

By WILLIAM F. OGBURN

**T**HE great upheaval in prices during the past two or three years has forced into the spotlight of public interest the standard of living as a basis of wage settlement. The cost of living has risen quite suddenly and most dramatically, and unless wages rose with the rise in prices the net result was an actual lowering of the standard of living. For this reason the standard of living has become in a great many cases the basis for setting wages.

Thus the Shipbuilding Labor Adjustment Board has on three occasions raised wages to the extent that the cost of living has risen, having done so on each occasion only after an extensive survey and measurement of the increased cost of living has been made. The National War Labor Board in nearly every case that has come before it for settlement has considered evidence and testimony on the increased cost of living. In perhaps half of the cases they have made a settlement of wages directly on the basis of the increased cost of living, and in many of the cases specific provision has been made for the future readjustment of wages on the basis of changes in the cost of living. The Railroad Wage Commission based a recent raise in wages on the results of a special nation-wide survey into the extent that the cost of living had risen. A number of private employers have raised wages after having had special studies made to determine the extent of the increase in cost of living. A few companies have made provision for periodic (in some cases monthly) increases of wages, in accordance with the percentage increases in the cost of living. Some of these companies are the Bankers' Trust Co. of New York City, The Index Visible (Inc.) of New Haven, Conn., the Oneida Community, the Kelly-How-Thompson Co. of Duluth, Minn., the George Worthington Co., and the Printz-Biederman Co. of Cleveland.

During the period of reconstruction following the war, if prices should continue to rise, there will be further adjustments of wages on the basis of rising prices. If, on the other hand, prices fall, it is certainly very desirable that wages should not fall more than

prices. In either event the changing cost of living will be a prime factor in determining wages, and during the period of reconstruction, social and industrial conditions are likely to be such as to need the guiding hand of a strong public policy. Such a public policy must surely consider the standard of living in any directing or control it may employ on the course of wages.

This enhanced importance of cost of living as a factor in wages occasioned by the war and reconstruction, makes it quite desirable to set forth not only some of the facts of recent changes in the standard of living, but also some of the concepts involved which are not wholly clear to the general observer. Furthermore, as the setting of wages by standards of living depends upon the accurate determination of the standard of living, it is also desirable to show something of the technique that has recently been evolved for measuring this complex phenomenon. For only by such knowledge can the issue thus raised by demobilization be met.

In June of 1918 the cost of living had risen around 55 per cent over the pre-war period. I have spoken of June of 1918 as a point of measurement, because a number of studies were independently made of the increase in the cost of living up to approximately this time, and thus there was not only abundant evidence on the increase in the cost of living but the results were in considerable conformity as to the exact percentage of increase. These studies were made by the U. S. Bureau of Labor Statistics, by the Shipbuilding Labor Adjustment Board, by the Railroad Wage Commission, by the National Industrial Conference Board and by the National War Labor Board. Since June, 1918, the measurement of cost of living has been carried on by the U. S. Bureau of Labor Statistics in various localities. These results of the bureau are not yet fully tabulated, but upon the basis of data collected in fifteen shipbuilding centers for August, 1918, the average increase up to that time over 1914 was 65 per cent.<sup>1</sup>

These figures are not based on wholesale prices, which fluctuate somewhat more widely than do retail prices, nor on food alone, which is only about 40 per cent of the budget, but are based upon food, rent, fuel and light, clothing and sundries. The increased

<sup>1</sup> The increase in cost of living for New York City up to December 1918 (over December 1914) has been computed and is 75 per cent.



cost of living is found by combining the increased cost of each of these five classes of expenditure, after the increased cost of each class has been weighted according to its relative importance in the budget.

The increase in the price of food is found by taking an average of the increase (or decrease) in some thirty or forty articles of food, each weighted according to the amount spent on it. For a particular locality, prices of each article are taken from eight or ten stores. Food in October, 1918, has increased 75 per cent over the average price for 1914-1915.

The increase in rent for a town or city is found by taking a sample of from 500 to 2,000 houses or apartments, located proportionally in all the districts where workingmen live and finding the average change in rent of these dwellings over the period studied. The increase in rent has not been so rapid nor so great as the increase in most other items of the budget. The changes in rent vary widely from locality to locality. Thus in Detroit from December, 1914, to March, 1918, rent increased 38 per cent, while in Jacksonville from December, 1914, to August, 1918, rents fell one per cent.

The problem in measuring the increase in fuel and light lies chiefly in weighting the changes in price according to the extent that each type of fuel and light is used by the community. In general the increase in coal and wood has been nearly the same in most areas, while changes in rates for gas and electricity vary somewhat by locality. Gas and electricity have usually not changed so much in price, increasing by no great percentage and in rare instances falling slightly. From December, 1914, to August, 1918, fuel and light have increased from 25 per cent to 45 per cent, in most cases being near the latter figure.

Clothing has increased to the greatest extent of any general class of expenditure, ranging from 125 per cent to 70 per cent over the pre-war period to August, 1918, in general the increase being around 95 to 100 per cent. The increase in the price of clothing is measured by getting the prices on about seventy-five articles of clothing used by various members of the family from eight or ten stores in the locality, in each store getting the prices if possible on four or five leading sellers representative of each article of clothing. The increases over the period studied for each of these articles of

clothing are then weighted according to the amount spent for them by the average family, and the average increase is then found.

Sundries include expenditures for insurance, organizations, furniture and furnishings, education, amusement, sickness, carfare and various miscellaneous expenditures. The increase in sundries is most difficult to get because of the difficulty of getting proper weights and enough large samples for each locality. Most of the studies made have not measured the increase in sundries adequately. From the few careful studies made of changes in prices of sundries, it seems they increase at about the same percentage as the total of the items of the budget.

Some idea of the variation in the increased cost of living in different localities can be had by noting the following figures for the increased cost of living in various shipbuilding centers from December, 1914, to August, 1918, made by the U. S. Bureau of Labor Statistics: Baltimore, 80 per cent; Norfolk, 75 per cent; Bath, Me., 68 per cent; Philadelphia, 67 per cent; Portsmouth, N. H., 67 per cent; Chicago, 65 per cent; Boston, 65 per cent; Jacksonville, Fla., 63 per cent; Portland, Me., 63 per cent; Toledo, Ohio, 63 per cent; New York, 62 per cent; Superior, Wis., 60 per cent; Beaumont, Tex., 60 per cent; Savannah, Ga., 58 per cent; Mobile, Ala., 56 per cent. Perhaps more variation is shown by these figures than really exists, because the month of August is an unsatisfactory month to get prices in, as in some cities the autumn prices are quoted and in others the prices of a former season are quoted. Thus when the month of January, 1918, was taken as the point to which to measure the increased cost of living from December, 1914, the variation was only from 40 per cent to 48 per cent for fifteen shipbuilding centers. In shipbuilding centers and localities doing large amounts of war work, perhaps the increase is slightly greater than in other cities, because in many of these centers of war industries, rent has increased more than in other places. Of course most cities have been doing some war work and this difference in rent must not be unduly pressed. The rise in food, clothing, fuel and certain sundries seems to be general irrespective of locality.

In this manner, then, the increased cost of living has been determined for a definite period and for particular localities for the

purpose of increasing wages by the same percentage of increase that the cost of living has shown, thus enabling the same standard of living to be maintained. But in a number of cases this process of raising wages has been unsatisfactory because it is claimed that the standard of living in the pre-war period which was used as the basis for computing an increase was too low. And certainly a number of American wage-earners were endeavoring to live on less than a minimum of subsistence in the pre-war period. The problem then becomes one of determining what is a proper standard of living. To raise wages according to the increase in the cost of living is in some cases not an adequate method of setting wages, and in these cases wages can be settled satisfactorily only by considering the standard of living as well as the increased cost of living.

The problem in such an event then is to determine the proper standard of living. Up to the present time attempts have been made to measure three different levels of living.

The first of these is what might be called the poverty level and for which there have been drawn a number of budgets, principally by various charity organizations and philanthropic societies. Families living at this level receive charity in the form of gifts or free medical service or in other ways. Or if they do not do this they attempt to live on a level so low as to weaken them eventually to such an extent that disease inevitably overtakes them.

The level above the poverty line is called the minimum-of-subsistence level. This level varies of course from country to country. It is spoken of here as the American standard, it being realized that it varies somewhat in different parts of an area so large as the United States. The minimum of subsistence will also change over a period of time, irrespective of the level of prices. What was the minimum of subsistence a number of years ago is certainly not a minimum of subsistence now. Quite a number of budgets have been set for this level in previous years. The study made by Dr. Chapin in New York in 1907 set such a level. Another was the budget of the New York Factory Investigating Commission in 1914. Such a standard of living corresponds approximately with that of common or unskilled labor, and is what is generally referred to as a living wage.

There has also been a tendency to recognize still another level

which has been called the minimum comfort level, which is of a plane somewhat higher than that of the minimum of subsistence. Thus in the autumn of 1917 in Seattle the arbitration board in a strike of the street railway employes accepted a budget of \$1,500 for a family of five. The settlement was made on the basis of a budget, drawn after considerable study, and called the minimum comfort budget.

The poverty budget at the charity level is chiefly of concern to charity organizations, and it is hoped that less and less attention will have to be paid to this type of budget. On the other hand, the budget at the level of the minimum of subsistence is of the utmost importance because it determines the line below which American families ought not to be allowed under any circumstances to sink. In some localities, sufficient careful study has been made of the minimum of subsistence by various students to lend considerable confidence to the accuracy of their results. Thus, in 1907 in New York City, Dr. Chapin after a very careful study said, "An income under \$800 is not enough to permit the maintenance of a normal standard. An income of \$900 or over probably permits the maintenance of a normal standard, at least as far as the physical man is concerned." For 1914 in New York City the New York Factory Investigating Commission set a minimum-of-subsistence budget at \$876. And in 1915 the Bureau of Personal Service of the Board of Estimate and Apportionment of New York City made a minimum budget estimate for an unskilled laborer's family in New York of \$845. These budgets therefore approximate the minimum of subsistence for New York City before the present great increase in the cost of living, which was first markedly noticeable in the late summer of 1915. If the minimum of subsistence in pre-war times was between \$850 and \$900 for a family of five, what is it now since the great upheaval in prices?

A good deal of investigation has been made on the problem of what is a minimum of subsistence in America today by the cost-of-living department of the National War Labor Board. In the early summer of 1918 this level was described by a budget drawn up item by item. This budget was based largely on data collected by the U. S. Bureau of Labor Statistics, and was worked up in consultation with various experts. This work showed that for a family of five to maintain the minimum of subsistence in a large



eastern city in June of 1918 an income of \$1,380 was necessary. Approximately this estimate was confirmed by a totally different method of approach, namely, by applying the percentages of increase in cost of living to well-recognized budgets worked out in former periods. The increase in food, in rent, in fuel and light, in clothing and in sundries was added to the estimates in former budgets, and so brought up to date. Thus, Dr. Chapin's budget for New York City in 1907 would cost in June, 1918, \$1,390. The budget of the New York Factory Investigating Commission would cost \$1,360 and that of the New York Board of Estimate would cost \$1,320. It is possible to use still another method of estimating the minimum of subsistence. In minimum-of-subsistence budgets food usually costs about 44 per cent of the total, so if we know the cost of food we can estimate the total budget. The U. S. Bureau of Labor Statistics collected 600 dietaries in the New York Shipbuilding district, which cost on the average \$607 a year, the families averaging 3.6 equivalent adult males. Upon analysis this average dietary based on 600 cases yielded only 3,155 calories per adult per day, not allowing anything for waste. So if we consider \$615 as the cost of food per year for a family of 3.4 equivalent adult males, we get a total budget of \$1,390. It seems fairly clear then that in June, 1918, the minimum of subsistence for a family of five living in a large eastern city was from \$1,350-\$1,400. If the cost of living since June, 1918, to the present time (November, 1918) has risen 10 per cent, then the minimum of subsistence at the present time costs about \$1,500 for a family of five in a large eastern city.

Not very much attention has been given to standards of living above the subsistence level for the purpose of setting wages. But the department of the National War Labor Board on the cost of living drew up for the consideration of the board a budget above the subsistence level which was called the minimum comfort level. In June, 1918, the cost of this budget was \$1,760 per year for a family of five. These facts will give the reader fairly good ideas of various levels of the standard of living since the great change in prices.

The importance of the standard of living as a factor in determining wages during reconstruction will probably occasion a good many attempts to define and measure the standard of living in



various industries and in various parts of the country. Such a probability makes it desirable here to develop somewhat the concepts involved in the standard of living and the method of determining proper standards.

The general reader is not at all times fully aware of the following concepts. A standard-of-living budget for wage-earners is thought of by some, and erroneously so, as fitting a particular individual family rather than an average family. But budgets for the purpose of wage adjustment are drawn not for a single family but for a group of families. Hence the items of a budget should be average items. Thus in a particular community the men in some families will ride on the street car twice a day for every work day in a month. Men in other families will not ride to and from work at all. So an average budget for such a community might put down expenditures of the man for car fare for thirty car rides a month, although no man in any family would ride exactly this number of times a month, no more and no less. It is rather an average expenditure of those who ride to work and those who do not. Similarly, the number of suits of clothes bought per year might be expressed in fractions. Items of expenditure are therefore generalized. It follows from the above analysis that items of expenditure should not be set at the lowest possible figure for an individual but for the group as a whole. Thus some men may need only 2,500 calories a day while some will need 6,000 calories, the average for a man at moderately hard work being probably 3,500.

Another conception necessary for a clear understanding of setting wages by constructed budgets is that budget estimates must not be ideal. It cannot be assumed for instance that a housewife has the expert training of a domestic science expert. Nor should budgets be constructed without an allowance for tobacco, when we know that it will be impossible practically for a community to live according to such ideal rules of expenditure. On the other hand it seems questionable whether such constructed budgets should conform absolutely to practice. The expenditure in actual practice will be a function of the income received and as the income is what we want to determine, there is danger of getting in a circle. For instance, families of a group of workmen may spend only \$18 a year for sickness; whereas they should spend more, as

we know from data gathered in sickness surveys that they need to get more medical attention than \$18 will buy. Budget estimates, however, should conform fairly closely to practice.

Budgets are usually constructed for a family of husband, wife and three children. This custom is justified on the grounds that public policy should encourage early marriage and that to prevent the population from decreasing, at least two children should be reared to parenthood.

Formerly budget estimates included chiefly food, rent, fuel and light, and clothing; other items were neglected to a great extent. Food, shelter and warmth were thought of as the minimum of subsistence. We now know that food, shelter and warmth are not the only necessary needs. And so considerable attention is being paid to other items of expenditure in budget making. For instance if we find large numbers of families who do not get enough food and who do not get medical attention when sick, yet frequently attend moving picture shows, the proper conclusion would seem to be that recreation is a necessary need as truly as food, and we know that in American life recreation costs some money. Hence expenditures for recreation should be written into a minimum-of-subsistence budget. And so it is with sundry items.

To some persons not familiar with budgetary studies, the determination of the level of subsistence seems a matter of opinion rather than of science. But there are many scientific approaches to the problem and various ways of eliminating the personal bias. This method cannot be gone into at length here but some of the devices used for locating the point of subsistence may be set forth briefly.

The food requirement can be found by subjecting to food analysis a number of actual dietaries. The cost of that dietary actually used which furnishes the requisite number of calories, grams of protein and the necessary chemical constituents will be set as the minimum amount of expenditure for food for subsistence. The amount for rent can be estimated by selecting a standard house of, say, four or five rooms with bath and finding the average rental for various localities in the community. Or if a number of budgets have been collected, the minimum rent may be determined at a point where overcrowding ceases to exist, hav-

ing determined some standard for overcrowding, as for instance one or one and one-half persons to a room. Perhaps a fair method of determining the fuel and light necessary is to compute for various types of heating apparatus in houses of a certain size the amount of fuel and light used by families that are known to be just above the poverty level but clearly so. The minimum of subsistence in clothing is perhaps most difficult to determine. The usual procedure is to adopt a certain estimate of clothing upon which there has been a fair amount of agreement, such as one overcoat every three years, one hat a year, one cap a year, one suit of clothes a year and so on. At this time of changing prices it is difficult to express these units in price terms which will show agreement. If a number of family schedules have been collected, it is possible to locate a point where the expenditure of clothes for the wife is say 75 per cent of the expenditure for the clothing of the husband, or some such point agreed upon. It is known for instance that when the clothing allowance is too low, the expenditure for the wife's clothing is only a small percentage of the expenditure for the husband's clothing, and that when the allowance for clothes is bountiful that the expenditure on the wife's clothing equals or exceeds that for the husband. There is no general rule for determining the amount necessary for sundry expenditures. The amount for car fare is broken into three classes, that necessary for the husband to spend in going to and from work, that necessary for children to go to and from school, and other car fare; in this way the amount can best be approximated. The amount for sickness can be estimated from a study of the average number of days of sickness a year. There are also various ways of getting expert testimony on the amount of insurance necessary. And so one can set a minimum standard throughout the items of the budget.

Considering the budget as a whole, there are various guide posts that readily tell when the poverty line is passed. Usually, gifts of clothing are indicative of poverty. So also, the method of obtaining fuel, known as "gathering fuel" is often an index of poverty. The point also at which the family ceased to be in debt is significant. Thus in the District of Columbia in 1916 families with incomes lower than \$1,150 were on the average in debt. Usually all these various tests converge upon a particular income and this is spoken of as the minimum-of-subsistence standard.

Formerly, budgets determining standards of living were expressed only in prices. Now, however, at a time when prices are changing very rapidly, a budget expressed in prices is not very intelligible and will be less so the further back the period which it represents. The need is therefore quite manifest for a budget expressed in quantities as well as in prices, and the items should be described also as fully as possible. It is greatly to be hoped that future budget studies will be in terms of quantities adequately described. Furthermore, the more fully a budget is described, the more accurate is the measurement.

Enough has been indicated to show what sort of measurement is necessary if the standard of living is to be used in wage settlements. A budget study of a particular community is quite a difficult undertaking, involves considerable technicality and is quite expensive. In a country as large as the United States and possessing so many localities where wages may be adjusted on the basis of the cost of living, it is an impossible undertaking to make a budgetary study in every community. It would seem that such a difficulty could be met by estimating the cost of living in a city for which we have no budgetary study and by finding the price differential from a city for which we have budgetary studies. In the wage adjustments of the National War Labor Board during the war a very great need was felt for some quick method of determining the differential in cost of living between one city and another. For instance, the wage may have been set in Philadelphia for street car employes on the basis of the cost of living. It is also desirable to set wages in New Orleans for street car men, but there is no cost of living study in New Orleans. It would be much simpler and easier to set the wages in New Orleans if such a differential were known.

But so far there seems to be no quick way of telling how much less it costs to live in New Orleans than in Philadelphia, except by full budgetary studies. It would seem that the way to measure this differential would be to get the prices of an extensive list of commodities such as food, clothing, rent, etc., in Philadelphia and in New Orleans, and the average difference in prices will be the differential in living costs between the two cities. The difference between the prices of the identical commodities between the two places would be very slight indeed. But if determined it would



only mean the difference in prices and not the difference in the cost of living because of differences in habits of living. For instance, the dietaries in New Orleans are quite different from those in Philadelphia. The same articles of food would cost on the average about the same in the two places; but a dietary yielding just as many calories in New Orleans as a different dietary would yield in Philadelphia apparently will cost considerably less. Similarly so simple a differential to measure as rents may be nevertheless difficult to determine, the type and size of house in New Orleans being quite different from that in Philadelphia. There are climatic differences which affect standards in consumption of fuel. Also common brands of clothing between the two places are very few. So it is very difficult to estimate differences in cost of living between two places without making full budgetary studies. As the difference in cost of living between any two places is in most cases small, the error in rough approximations is too great. Probably the best way to handle this problem is to have very careful budgetary studies made in representative localities in representative districts, as for instance in small towns, large towns and large cities in the various geographical areas, and to use the differential thus carefully determined as representative of other differentials. This the U. S. Bureau of Labor Statistics is engaged in doing at the present time.

This point is extremely important in forming any really national policy on wages. At the present time there are considerable differences in levels of wages in different parts of the country. Some observers justify these local or territorial differences by saying that the cost of living is quite different in these areas. Others on the other hand reply that the differences in the cost of living in the various areas are different because wages determine the cost of living and that a uniformity in wages would bring a uniformity in living costs. They say that the identical standard of living prices in the various territorial districts would be very nearly the same in cost in all localities. Obviously such a problem as this should be solved before a satisfactory national policy in regard to wages can be declared. The Railroad Wage Commission and the Shipbuilding Labor Adjustment Commission, both handling wages on a national scale, have been confronted with this problem. In general their findings have been that the differences



in the cost of living in various parts of the country are not so great as are popularly supposed.

In conclusion, then, it must be recognized that there are various determinants of wages, supply and demand, productivity and the standards of living; and these are variously interrelated. In a period of laissez-faire conditions, supply and demand operate particularly strongly. But with the development of social control and the growth of social justice, the standard of living plays a large part in the determination of wages. This has been true particularly during the war because of the increase in prices and the necessity of a high degree of social regulation and control. During the period of demobilization and reconstruction, the standard of living should be equally as important in national consideration. For the gains of democracy, whether it be political or economic in the last analysis, certainly come down to one important base, the standard of living. The standard of living must also be very seriously considered in formulating any national policy in regard to wages. The importance of the standard of living in the adjustment of wages then has been the reason for setting forth in this paper the definition of important concepts involved, something of the technique of measurement recently evolved and also a few of the more important facts in regard to the extent in the rise of the cost of living and the present levels in the standard of living.

## Wages for Women Workers

By MARY ANDERSON

**W**OMEN are doing their share of our country's work under many new conditions and it therefore becomes a national responsibility to see that they are not sacrificed or exploited.

### EQUAL WORK, EQUAL PAY

Women's wages should be determined in the same manner as men's wages. As Miss Mary Van Kleeck, Director of the Woman in Industry Service of the Department of Labor has well said, "Wages should be determined on the basis of occupation and not on the basis of sex." Women doing the same work as men should receive the same wages with such proportionate increases as the men are receiving in the same industry. Slight changes made in the process or in the arrangement of work should not be regarded as justifying a lower wage for a woman than for a man unless statistics of production show that the output for the job in question is less when women are employed than when men are employed. If a difference in output is demonstrated, the difference in the wage rate should be based upon the difference in production for the job as a whole and not determined arbitrarily.

During the period of the war, employers have been outspoken in their praises of women's work. They have said very truthfully that the women who have taken men's places have been just as efficient and in many instances have done more and better work than the men whom they replaced or those with whom they worked side by side. But their attitude on wages has been curiously illogical.

For example, in one city a manufacturer with very important war contracts wanted to employ women for night work. In that state the law forbids the employment of women between the hours of ten p.m. and six a.m. The employer gave as his reasons for urging night work that women were far better workers than men, that they did more work and better work and came to the factory with greater regularity, that he had a night shift of men

who were very inefficient and most of whose work had to be thrown on the scrap pile.

A casual inquiry was, "How much are you paying an hour for this work?"

"Oh," was the reply, "we are paying the men forty cents an hour with a fifteen per cent bonus for night work."

Another question was, "How much are you intending to pay the women for working at night?"

Answer: "We will pay them twenty-five cents an hour."

The query went forth again: "You have said women are more efficient than the men and that they do more work and better work. Don't you think that they ought to receive the same pay that these very inefficient men are getting?"

Reply: "But women have not the same family responsibility that men have."

Question: "But do you know how many of your men employees have family responsibilities?"

Reply: "Some do and some do not."

The same question was asked as to the women. He said that he had in his employ widows who had children dependent upon them and he admitted that girls probably had the same responsibility toward their families that young men have. "But," he said, "the manufacturers in this city are not paying the same wages to the women as to the men. If they did, it would bring on a revolution."

He was asked, "Have the employers an understanding that equality shall not prevail as to wages for men and women?"

His answer was, "Yes."

Statements are frequently made by employers that they are paying the same wage for the same work to women as to men. No doubt in many cases this is literally true, but more often the statement will not bear analysis. For example, one company, which is using women to do heavy hauling, claimed to be paying women the same money as the men, giving the rate as thirty-two and one-half cents an hour, but at the time the statement was made the rate for men was from forty to forty-two cents. Another statement, which is probably more typical, comes from a lumber operator who says, "The women receive the wages *formerly* paid to men for the same work." Paying women a wage at which men

would not be available at the time is not in any sense equal pay for equal work.

The waitresses of a big middle-west city report similar discrimination.<sup>1</sup> The waitresses' union had difficulty this year in signing up its contracts. The contracts contained a clause stating that where women were employed to take men's places and were doing an equal amount of work they must be paid an equal wage with the men. The employers admitted that they intended to fill vacancies left by men with women, that the work would be just the same for the women as for the men, and that they expected to get these women workers for three dollars a week less than they were paying the men. The secretary of this union was one day arguing the matter with a young man who manages a chain of restaurants.

"Supposing I should take your job," she said. "You know you are in the draft and you know, too, that I could take your place very nicely. How would you like to go away to war knowing that I was doing your work for a half or two-thirds the wages you are now getting? You would know for a certainty that when you come back from war you might get the job back, but you would get it back at my wages and not at the wages you are getting now. How would you like that, after you have made the sacrifice to go for the sake of your country? What kind of a patriot would I be to take that job and what kind of a patriot is the owner of your restaurants to try now to do this thing?"

Several departments of the federal government have taken a clear and definite stand on the question of wages for women. Director General of Railroads, McAdoo, issued the following order in May, 1918, affecting the employees of 164 railroads of the country:

When women are employed their working conditions must be healthful and fitted to their needs. The laws enacted for the government of their employment must be observed and their pay, when they do the same class of work as men, shall be the same as that of men.

The following statement is made by the Bureau of Labor Statistics of the United States Department of Labor:

The great danger from the viewpoint of health is that the employment of women should be resorted to merely in order to obtain cheap labor. As a matter of public health we must see to it that women are paid equal wages for equal work. Otherwise, their employment can be and is daily being made the excuse for undercutting the standard wages of men and so reducing the standards of living in the community. It is true that in many of the new occupations the women are unskilled and need training. Yet even while they are being trained, they should as a matter of health be paid an adequate wage.

#### ARGUMENTS AGAINST WAGE INCREASES THE SAME FOR MEN AND WOMEN

Employers will advance the same arguments against wage increases for women that they have long used in opposing the demands of men workers. They will claim that regardless of the es-

<sup>1</sup> From "Women's Work and the War," July, 1918.

sential fairness of any wage increase that might be asked by the workers, the financial condition of the business will not stand the burden of a higher labor cost and that great consideration should be given to this fact; that it should, indeed, be the only factor in determining whether an increase should be given. However, a careful inquiry into the profits will often show that there is a large overhead expense, such as dividends paid in the form of large salaries, or dissipation by wasteful methods of the profits, leaving no money for increasing wages. The only way to obtain a thorough knowledge of what an industry can or cannot stand in the way of increased labor cost is to refer the whole matter to a court of arbitration.

In the arbitration of questions concerning wages and hours in the packing house industry, the packing firms did not give the usual testimony that the profits of the industry will not warrant a substantial increase in wages or that the highly competitive nature of the business would forbid the change. Obviously, this was because the workers and the people had been reading of the large dividends in this industry. The lawyers for the firm, in summing up the case, begged the arbitrator to have in mind, in considering this question, that granting this increase would create unrest and dissatisfaction in other industries paying less than the packing houses' employes would be receiving and, therefore, an increase should not be granted. The result of the arbitration was the establishment of the basic eight-hour day with time and one-half for overtime, double time for all work on Sundays and holidays, the same rate of pay for eight hours as was previously paid for ten hours with an additional increase in the hour rate and piece rate. Thus order instead of chaos was established in the packing industry.

Another claim frequently urged by the employers is that the amount of increase in wages adds directly to the expenses of the business and, therefore, automatically results in reduction in profits. This claim is based upon the assumption that the employer will have to pay a higher price for the same quality and the same amount of work that he obtained under the lower wage scale. That this assumption is erroneous has been conclusively proven by generations of industrial experience. Workers whose wages are low, hours of work long, working conditions poor, who



must submit to ill treatment and constant nagging by the men and women directly in charge of the work, can render only poor and inefficient service. Those who are adequately paid and thereby better nourished, who have shorter hours which means lessened fatigue, who have self-government through shop committees and the right to take up the grievances that constantly arise between the foreman or forelady and the workers, do work of better quality and produce a greater output. Experience has proven that increases in the amount of the output and its improved quality entirely offset the increase in wages. This is illustrated in the case of Hart, Schaffner, and Marks, a large clothing firm employing about 8,000 people of whom about 63 per cent are women. During the first two years of the agreement between the firm and the union, wages had increased from 25 to 80 per cent, and at the same time profits were doubled. This was due to the increased efficiency of the workers which decreased to a large extent the need for sub-foremen and examiners and increased the volume of business because of better workmanship.

Some of the largest of our industries have voluntarily made large increases in wages against the protest of business competitors and associates who predicted that the effect would be the financial ruin of the industry. The practical results, however, completely refuted these predictions, for the expense per unit of production was very much decreased as a result of better service rendered, and profit to the employer showed the corresponding increase.

Another beneficial result of paying adequate wages that should be mentioned is the immediate decrease in the "labor turnover" which means the constant hiring of large numbers of workers to take the places of those who leave. The greatest number of employes leaving their place of employment can be found without a doubt in the establishments where wages are so low that men and women cannot maintain themselves and their families in health, thereby becoming a charge upon society as a whole through the medium of charitable organizations, in order to supply the difference between their actual wage and a living wage. This can at its best be done only in a very meager way for a limited time. It is conceded by all enlightened employers of labor that there is not only a large cost in constantly training people in an industry, but that there is also a decided reduction

of product due to the continuous introduction of new and untrained workers. This very expensive process could be eliminated if the money and time spent in "hiring and firing" and training could be added to the wages of the employees.

Captain Boyd Fisher, who conducted courses of employment management for the United States Government, says:

One of the basic remedies for high labor turnover is the payment of an adequate wage. . . . By an adequate wage I do not mean the minimum wage. I mean a good fat wage. One that will clothe and educate their children as well as feed them properly.

#### HOW TO HANDLE WAGE QUESTIONS AFFECTING MEN AND WOMEN

Wage questions affecting both men and women can best be handled by collective bargaining and by arbitration. The combination of these two methods means the application of sound democracy in the workshop. No one knows better than the trade unionists that the average wage-earner has had very little control over the conditions of his or her life, especially over that part of life which is the core of all the rest, the job. Collective bargaining means that the workers have got together, have elected their committee, let us say, have sent this committee to the employer, have been told there is nothing to discuss. The committee suggests arbitration. They are told there is nothing to arbitrate. The workers begin to understand that in industrial democracy they have no representation, that there is not actually industrial democracy. The National War Labor Board, by proclamation of the President, instituted collective bargaining in many cases where there was no organization. The first principle reads: "The right of workers to organize in trade-unions and to bargain collectively through chosen representatives is recognized and affirmed. This right shall not be denied, abridged, or interfered with by the employers in any manner whatsoever." It is becoming clearer and clearer to all thinking men and women that we cannot have real democracy unless we have democracy in the workshop.

The arbitration policy that I am most familiar with is that instituted by the Boot and Shoe Workers International Union more than twenty years ago. It has been very successful, so much so that Brockton, Massachusetts, the largest shoe center in

this country, has had no strikes or lockouts since this agreement was signed. The first firm that entered into this arbitration agreement was the W. L. Douglas Shoe Company of Brockton, Massachusetts, about twenty-one years ago. Many shoe firms, both in Brockton and other localities, have entered into similar agreements because they have seen the results of this policy of peace. Employers know that during the life of the agreement there will be no strikes and the employees know that there will be no lockout by the firm. They know that wages, hours of work and other working conditions which cannot be mutually agreed upon will be submitted to arbitration, and the decision that is reached will be final and binding upon the employer, the union and the employees.

For years, many people have thought of shortened hours of labor and of increases in wages from the standpoint of its meaning a few more dollars on pay day, and another hour or two that would not have to be spent in the factory. It is time to look at both of these as something more than a few more dollars on pay day and another hour or two out of the factory. It is something more than that. Wages determine life,—the standards of living, the health of body as well as of mind. The wages received determine where the worker shall live, whether in one room or two, in a cheap and crowded tenement district or in a home with pure air and sunshine. Wages will determine what kind of food can be had for families and that in turn determines the quality of children and the future citizenship.

## Health Problems of Industrial Workers

By JOHN A. LAPP

**H**EALTH problems in industry have been freely discussed during the war period and some preliminary standards have been defined and partially applied. Beginnings have been made which promised much for the solution of some vexed labor questions. How much good will finally result now depends upon the way the temporary experiences are moulded together into a permanent labor policy.

Health problems were forced upon the attention of the country by the national exigency. Immediate war needs required maximum production on the part of every industrial agency. It soon became evident that this level of production could not be reached or maintained except by the physical fitness of every unit. For the first time in generations man power was valued at its full worth. The old system under which men disabled by sickness or accident were scrapped and new men took their places, rapidly broke down. A "new industrial day" came for the worker. He was raised to the level of the machine on which he worked. Clear-headed people saw that the provision for care must be extended to keep the worker fit, just as care had always been extended to keep the plant machinery in the best running order and the dumb beasts well fed and efficient.

Herbert Spencer said more than a half century ago:

Not only is it the event of a war often turns on the strength and hardiness of the soldiers, but it is that the contests of commerce are in part determined by the bodily endurance of producers. Already, under the keen competition of modern life, the application required of almost everyone is such as few can bear without more or less injury. Already, thousands break down under the high pressure they are subject to. If this pressure continues to increase, as it seems likely to do, it will try severely all but the soundest constitutions.

Dr. Victor Vaughan said more recently:

That government is the best which secures for its citizens the greatest freedom from disease, the highest degree of health and the longest life, and that people which most fully secure the enjoyment of these blessings will dominate the world.<sup>1</sup>

Prof. Thomas Nixon Carver expressed more exactly the national significance of working power:

<sup>1</sup> *Commemoration Volume*, A. M. A., 1915, p. 3.



The most valuable resource of any country is its fund of human energy, that is, the working power, both mental and physical, of its people. It is safe to say that any capable race of men who will conserve, economize and utilize that fund will be able not only to extract a living but actually to prosper in the midst of poor natural surroundings. On the other hand, if they fail to economize their fund of energy, if they waste and dissipate it, they will certainly decay in the midst of the richest geographical and material resources.

With the return of peace and the demobilization of labor, there is danger that we may revert to the old standards and begin again our progress along the weary road toward industrial health. There are some clearly marked milestones, however, which will stand as guides.

#### FATIGUE AND THE EIGHT-HOUR DAY

The English experience carefully sifted and preserved in parliamentary reports and in laws and rules, shows clearly that the eight-hour day is a health measure which pays. The idea had long been maintained but it is now moulded into fact in the crucible of war. A nation needing maximum production for the life and death struggle in which it was engaged, found that the best results were obtained by shortening the hours of labor. America followed suit and during the brief time in which industry was keyed up to the maximum pitch, the eight-hour day was rapidly applied, voluntarily by employers and involuntarily under orders of the War Labor Board.

Fatigue, the cumulative result of excessive labor, is a health hazard of the first magnitude. Speaking of the physical fitness of the worker, Dr. Frederick S. Lee said:

From the standpoint of industrial physiology the industrial worker is looked upon as bringing to the general physical equipment of the factory his own bodily machine, the most intricate of all the machines used in the plant. This machine must be understood, it must be constantly watched, it must be used intelligently, and it must not be abused. Like other industrial machines it can be worked at different speeds, but unlike other industrial machines it cannot be worked for an indefinite period, because it is subject to the limitation of fatigue. Fatigue delays work, diminishes output, spoils goods, causes accidents and sickness, keeps workers at home, and in all these ways is an obstacle to efficiency. How fatigue can be kept down to its lowest reasonable limit, how the working power of the individual can be maintained from day to day and from week to week and be made to yield a maximum output without detriment to itself and to others—in other words, how the human machine can be used so as to obtain from it the most profit—constitutes one of the great industrial problems of the day.<sup>2</sup>

<sup>2</sup> U. S. *Public Health Reports*, Vol. 33, No. 2, January 11, 1918, p. 30.



## HOUSING AND HEALTH

Standards of health in industry cannot be effective unless decent living quarters are provided. Any benefit accruing from carefully equipped shops may be entirely dissipated by the workers' unwholesome environment in leisure hours. The causes of disease are distributed between the individual, the industry, and the community and home environment. An exhaustive investigation by the U. S. Public Health Service in Cincinnati in 1916 showed this clearly in the case of tuberculosis. Among 442 persons suffering from tuberculosis, industry was charged with 18.1 per cent; poverty and housing 9.7 per cent; personal vice with 10.8 per cent; heredity with 32.4 per cent; other diseases with 8.4 per cent and indeterminate with 20.6 per cent. All investigation and experience tend to show a constant relationship between mortality, morbidity, and living conditions.

The remedy must be coöperative and social. Private enterprise cannot solve the problem of furnishing suitable places to live at a price the worker can pay. Insanitary housing must be prohibited. So long as hovels are allowed to stand, people will be found to exist in them. Nor can the worker expect to own the place in which he lives. It is impossible for him to do so in most cities. It is inadvisable for him to do so unless the conscienceless profiteering which takes toll of a third to a half of the value is stopped. The building by public enterprise or public welfare corporations for rent or for sale at a legitimate price, the enlargement of transportation systems, and the prohibition of places unfit for human habitation are essential to buttress the health standards which are being established. The marvelous experiment from a health standpoint in housing negro families made through the efforts of Mr. J. G. Schnidlapp, in Cincinnati, leaves little doubt about the possibilities of broad social action.

## WORKING CONDITIONS

There are several major hazards to the worker's health. Chief among these are dust, poisons, devitalized air, heat, humidity, exposure.

Four million men are working in places subject to serious dust hazard (Hoffman, *Mortality from Consumption in Dusty Trades*,

*Bulletin U. S. Bureau of Labor Statistics*, No. 231); many poisons menace the health if not the very existence of the employes. Fully half the work places are not properly ventilated. Large numbers of men are subjected to the hazard of excessive heat. An unknown number are subjected to exposure to weather and other conditions inimical to health.

Death rates vary enormously in different occupations and sickness statistics are eloquent in their proof that it is excessively dangerous to work in certain industries. The rate of sickness and death from various causes in different trades proves that work in some occupations increases the chance of death from certain diseases. Men who are predisposed to particular diseases have only a slight chance of escape when engaged in work where the cause of such disease is present. Dr. E. R. Hayhurst states this at some length in his report on occupational diseases in Ohio.

The second most important feature in the relationship between work and disease is the problem of the worker himself. Some workers are very much more susceptible to the health hazards mentioned above than others, so much so that as hygienic as certain industries and processes can possibly be made, still there are certain classes of persons who should not engage in them. This is exemplified today, in many instances as a matter of natural selection; for instance, the more delicate and sickly disposed persons do not follow the more fatiguing or heat-exposing trades. Unfortunately this does not apply so closely to older workers who have been following the more hazardous undertakings for years, and who, having become weakened from various causes, still endeavor to remain at their chosen avocations, irrespective of the damaging effects upon the body. Much of this question of the human factor will be solved in the future by a selection of employes through physical examinations for occupations to which they are best fitted. As an economical principle this must be done for the benefit of employer, employe and society. Having picked the proper physically or mentally capable person for the position at hand, it is further necessary to eradicate health hazards, as far as possible, if we expect to put a check upon unnecessary disease and a check upon the shortened span of life which exists among occupied persons today.

#### CONSERVING MAN POWER

This is perhaps the most important result of activities relating to health brought about by the war. Here standards can be most readily set up and enforced.

For generations we have been mining our human resources just as we have been mining our mineral resources, in a wasteful fashion. Men went into industry utterly regardless of particular hazards involved or of their ability to withstand them. Accidents destroyed some men and lessened the working power of others. Sickness, partly or entirely an attendant of industry,

took its toll of disabled men. Those who were broken went out to the scrap heap. All the while a new fresh stream came in at the top. The supply of labor seemed to the exploiters sufficient to enable this process to go on indefinitely.

Meager attempts were made some years ago to arrest the more serious consequences. Safety laws were passed eliminating some of the worst hazards of accidents. These laws though indifferently enforced did great good. Then came the conviction that men should be compensated for their losses from accidents in industry. Workmen's compensation laws were passed. Today thirty-eight states have such laws, providing for payment of 50 per cent to 66 $\frac{2}{3}$  per cent of lost wages and some provide for reasonably adequate medical care. - In the meantime the burden of loss was shifted largely to industry and caused the initiation of "safety first" campaigns.

These safety efforts have been directed principally to the prevention of accidents. They have taken only incidental account of diseases. Yet disease is responsible for much more disablement than accidents. Many more men go to the scrap heap from disease than from accident. We shall undoubtedly see this fact properly emphasized especially if the burden of sickness is distributed upon employees, employers, and the public by means of social insurance.

The war has emphasized particularly the conservation and rehabilitation of men. We see quite clearly now, that compensation in cash for injuries does not do justice to any of the three factors—the man, the industry, or society. What all three desire is continued working power on the part of every unit. There are three losses sustained by the man who is disabled by sickness or accident;—Wages, cost of medical care, loss of working power.

We have come to see that each of these losses is a loss to industry and to society as well. The immediate problems are those of prevention and salvage. Preventive measures consist in making the work places safe and sanitary; guarding the machines against every possible danger; providing physical examinations to select and properly guide the men in their work; limiting hours of labor to the efficient productive capacity of the men; eliminating poisons, heat, dust and other hazards; and lastly, provid-

ing a plan of medical supervision and first aid facilities to reduce to the vanishing point the danger of infections.

Measures of rehabilitation constitute the restoration, as far as possible, of working power to disabled men. This consists in establishing the physical man, removing his handicaps, and replacing his vocational power by reeducation along some line of work in which he can profitably engage.

We know how to do these things now through the accumulated experience of the warring countries in restoring their soldiers to such measure of physical and vocational fitness as the circumstances of each case permitted. We would be fatuous to an extreme if we do not apply the standards of health and human salvage so firmly fixed.

#### HAZARDS OF WOMEN'S WORK

Regarding the health of women in industry, much has been said and some definite investigations have been made. The influx of women into occupations to which they were unaccustomed caused great concern lest the hazards of their employment be too great. Scientific inquiries have been undertaken on certain questions about which there has been much conjecture, such as:

1. What are the relative effects of the industrial poisons upon men and women? Some poisons such as lead and mercury have already been shown to be more injurious to women than to men.
2. What is the peculiar effect of bad posture upon women?
3. What are the effects of fatigue upon women not found in the case of men?
4. Do the hazards of heat, dust, humidity, devitalized air, and weather exposure react particularly upon women workers?

Many of these questions have heretofore been considered primarily in relation to the child-bearing functions. However, this point of view must be extended to facilitate the discussion of other factors whose importance arises from individual and industrial effects rather than racial effects; but which relatively are of great importance in dealing with the situation.

#### CHILD IN INDUSTRY

There is very little difference of opinion today regarding the necessity for the limitation of child labor and for its actual pro-



hibition in certain industries. The next step is now becoming clear. Children must be guided into suitable employments in industry and retained under careful supervision until they are properly adjusted. Morbidity statistics show that sickness is much more prevalent among persons under eighteen in industry than among the employed persons of more advanced ages, thereby indicating the importance of physical strain as a factor in the employment of youthful workers. Vocational guidance is destined to include physical as well as occupational adjustment. Youth entering upon industry should be physically examined and not allowed to enter occupations which will be detrimental to health and physical development. Such supervision ought to extend at least to the eighteenth year.

#### CONCLUSION

The program for health standards here outlined involves some reorganization and much new organization. Additional burdens are placed upon employers, employes, and the public. Some unsolved problems have been projected into the arena for social action. However, it frankly recognizes the dawn of a new industrial day, when society, acting for all, must deal intelligently and comprehensively with the human problem. That problem in the main consists of reducing the hazards of life to a minimum, increasing the productive capacity of the individual, restoring men to working power and stabilizing society itself.



## Training Labor: A Necessary Reconstruction Policy

By C. T. CLAYTON

**T**HE prime object of reconstruction must be the maintenance of the present relative wage scales, now perhaps the highest American workmen have ever known. Unless the reconstruction policy makes a deliberate point of sustaining such scales and adopts sound methods for their support, there will inevitably be a sag in the wage scales in advance of any diminution in the market price of commodities—and consequently a narrowing of the margin between accustomed living costs and the income of the wage-earner. This margin, even in the face of recent general reductions resulting from the elimination of overtime and Sunday work, is better than wage-earners usually have enjoyed. If this margin, which gives to wage-earners some opportunity for saving for comforts, and for physical and mental self-improvement, is a just share of the value their labor has created, equity demands its retention. Even if it be contended that this margin, which recent abnormal conditions have established, is an abnormal result not entitled to protection, abundant considerations of policy and expedience suggest its continuance.

But if that margin, which is the ratio of the wage-earner's income to his living costs, is abnormal, it cannot be sustained by mere resolutions no matter how clearly general public considerations support those resolutions. Economic pressure of competition will soon nibble it off unless some other equally powerful economic force can be mobilized in its favor. There is only one such force: the relative production of the individual worker. To sustain present relative wage scales and to meet international competition, then, we must increase our per capita production of commodities sufficiently to offset competitive pressure.

### POST-WAR LABOR PLACEMENT ON THE BASIS OF ACQUIRED SKILL

Wherever possible, workers who are released from war employments should be directed to peace-time occupations in which the skill acquired in the course of their war work may be effectively

utilized. This seems almost too obvious to mention, but its application is not simple. Peace-time manufacturing establishments dot the whole land. Seventy-five per cent of all war contracts are said to have been awarded within four states. War contractors drew their labor forces from all directions, and neither the worker, when released, nor the peace-time employer seeking workers, will be able to establish connection unless each can learn of the supply and demand for labor of various kinds.

Industries apparently quite dissimilar employ much labor of like or similar occupation. The building of ships requires more than a hundred different kinds of skilled labor; but over 60 per cent of these are found in other industries also, and many are common to several industries. Among the remaining 40 per cent of occupations peculiar to shipbuilding are found many quite similar to those used in other industries. Carpenters, cabinet-makers, joiners, or pattern-makers can all readily take up airplane repair and replacement work as their occupations are sufficiently similar. A long list of metal-working occupations includes specialists on similar machines drilled upon processes which with comparatively little added training are almost interchangeable industrially. The utilization of occupational similarities, by an analysis of the industries, offers a very practical means of facilitating the readjustment of labor due to the cessation of war manufacturing and the revival of peace-time industries. This utilization is comparatively simple. The government has the machinery at hand ready to be set in motion. All that is necessary is to inform employers how to use existing facilities. The Department of Labor has two bureaus, each possessing some knowledge adapted to the need. Through the local community board system and its clearing reports, the employment service can find and transfer labor as it is released. It can also ascertain and report the occupations of the people that are being released. The training service of the Department of Labor maintains a staff of experts in offices scattered throughout the industrial territory who are able to suggest to manufacturers the kinds of labor among those being released which, with the least training, will be found adapted to their special needs. Virtually, these experts are able at command to write a labor-supply prescription which the manufacturer may

present to the employment service to be filled. By this combination, using expert information possessed by the training service and the very ample facilities of the U. S. Employment Service, with the least waste of time and expense, all the available skill and experience of released labor can be saved.

For several months the Bureau of Labor Statistics in the Department of Labor, acting at the request of the employment service, has been preparing a classification of occupations—to provide a ground of common understanding between those seeking employes, and workers seeking employment—which is based upon the duties required in the several occupations. This work is now well advanced and numbers of industries have been quite well analyzed into their various occupations.

As a result of the experience of the Adjutant General's Office of the War Department in developing an analysis of trades and occupations, and basing upon that analysis a series of trade tests which were very effectively used to ascertain the extent of trade experience possessed by men drafted into the army, a series of trade test handbooks covering various industries is projected by the employment service. So far as this work has gone, the results are available to aid manufacturers and workers seeking a knowledge of the needs of employer and the qualifications of employes. Both the occupational classification and the trade tests are vastly more valuable in the hands of experts; it is therefore suggested that manufacturers may well utilize the training experts as advisors regarding the prescription which they should present to the employment service.

#### TRAINING IN RELATION TO LABOR EFFICIENCY

Every manufacturer possessing a vestibule training school has a most complete instrument for laboratory examination and analysis of the qualifications of newly employed workers. For such testing, nothing better than a vestibule school could be devised where the point to be determined is, "What is the mental tendency and to what extent do the qualifications of this new aspirant for employment go?" Of course, not all applicants may be tested in this way as the facilities of the school, like the facilities of any laboratory, are limited.

A prime cause of labor turnover—one of the greatest menaces

to the maintenance of wage levels, both absolute and relative—is in the failure of our manufacturers to secure a full measure of productive efficiency. A recent analysis of the causes of discharge in a large establishment showed that but 10 per cent were disposed of on grounds of slacking; the other 90 per cent were discharged for reasons in most cases due primarily to failures in management. A similar analysis of the reasons for quitting given by men leaving employment, checked against conditions in the plant, disposed of 90 per cent of the quittances as likewise due to failures in management.

Six reasons may be assigned for inefficiency in production, namely, (1) power failures, (2) equipment and repair failures and limitations, (3) lack of instructions, (4) lack of training, (5) failure to supply material, (6) personal slacking. A chart recently prepared, analyzing the individual output of twenty-six men employed in one factory department, showed that in two weeks the average output of the men ran under 35 per cent of what they should have readily produced. The majority of the men turned out pretty nearly the same amount every day; and their output usually ranged in the neighborhood of three hours' value for nine hours' work. Inquiry into this very low efficiency established (1) that this was as good a department as the factory could show, (2) that the factory had a reputation for efficiency, and (3) that substantially every one of the six reasons given entered into the low result, but the sixth reason was almost a negligible consideration. The real difficulties lay in failure to supply material when and as needed, in bad organization of equipment, in recurrent failures of power and chiefly in lack of training. It is reported that a large arsenal found itself able to employ its machinery during working hours but 55 per cent of the running time, on the average. Many private establishments would not show up so well as that.

It would seem that the advocates of higher efficiency should turn their attention away from attempts to speed up those workers who already are producing reasonably well and consider the idle machines and the idle men. If the average workman, whose output is about one-third of what it could be, is given better equipment, material when he is ready for it, instructions as to what should be done with that material, and training so that he



can execute what he is told to do, that average man will not need to be pushed at all. Neither bonuses nor other incentives are really an essential to the case. The pride of the average man in his craftsmanship and his willingness and ambition to do his share is all the incentive that is necessary. It is not unreasonable to assert that attention to these elements of production could double the individual output of the American workman.

Nor does this express all of the advantages such an analysis might suggest. All industrial workers are entitled to training. Both the employer and the worker need it—the employer because failure to have training is one of the causes of inefficiency. If the employer is to sell in the market, meeting competition both at home and abroad, he must have a larger output and a higher efficiency. He cannot get this unless his people are trained “to the nails.” On the other hand the employe is entitled to and wants to have the best possible training. Such training should have a broad outlook—not be narrowed to mere repetition of monotonous and socially inefficacious movements. Both employer and worker are entitled to assistance from the government in obtaining this training,—a matter requiring access to sources of information and the gathering of educational material in a manner and to an extent beyond the reasonable powers of private organizations.

#### INDUSTRIAL EDUCATION A NATIONAL NEED

Training is nearly allied to industrial education but does not quite compass its breadth. The Federal Board for Vocational Education is responsible for assisting industrial education of the vocational type. Its method of operation is through the reimbursement of state boards of education for one-half the sums they expend for the salaries of teachers in vocational schools. The board has no direct connection with manufacturers or with vestibule schools as such. It can reach the vestibule school only when the State Board of Education takes over that school as part of the public school system.

The Department of Labor's training service is concerned with industrial training as carried out by manufacturers at their own expense, for the purpose of making their labor efficient. It advises the manufacturers; it prepares for them plans for training;



it assists them in the carrying out of those plans. In a way, the work of the Department of Labor is a kindergarten service for the higher industrial education being promoted by the Federal Board for Vocational Education. It promotes organization of vestibule departments in industrial establishments, the ultimate development of which may be and very frequently will be a better appreciation of the benefits of comprehensive industrial education. In the thirty-eight states where there are compensation laws, training is of special importance because it has been found that a great majority of injuries to working people are caused by ignorance. Most accidents happen within the first few hours of employment, and these accidents may be greatly reduced by previous training. Both quality and quantity of output is greatly increased in plants where the employes are regularly trained, because during the course of training accuracy is instilled.

The training room of a large airplane factory a few days ago was called upon to aid one of the factory departments which had fallen into difficulties over the reduction of an essential part for an important government order. This training room has a number of machines which could be used for the manufacture of the part. Without in any way increasing the speed of their operations the learners working on the particular machines were put on that special part. They turned it out with practically no spoilage—a much better ratio both of speed and accuracy than the factory department could show—and saved the day for the delivery. Yet the work was merely made a part of the training room's instruction. It is the experience of all manufacturers who have such training that their turnover is greatly reduced. Those who cannot make good in the factory are found out in the training. Those who can make good are conditioned to the need and go into the factory understanding the rules and discipline, ready to produce satisfactory manufactured material. It is a common occurrence to obtain a statement from a factory having training that their turnover has been reduced one-half since the training room was introduced.

Well-trained labor is more truly versatile because it has a broader vision of its opportunity and a better understanding of its duties. It is more secure in its employment inasmuch as proper training gives labor an understanding of all the possibili-



## The Employment Manager and Applied Vocational Guidance

By IDA MAY WILSON

**E**MPLOYMENT management has so recently been given professional standing that we have been concerned more with forms and methods than with the manager and his training. Industry's amazing growth has demanded the immediate and material. Shall we now pause to consider the less immediate and immaterial?

It is our belief that the cornerstone of greatest success in understanding people is a broad and liberal education. Lives there an employment manager who has studied, read and experienced sufficiently to be perfectly qualified to interview all classes of help, all individuals? To follow their progress and make adjustments when necessary until every person in the plant has the best job he is able to fill in the interests of himself and of the firm? We reflect with a degree of complacency that education, reading and experience are relative terms, the desirable quantity forever the elusive *N*.

He has not a liberal education who has not learned to know people, what they think, what they do, their limitations, their possibilities. Sociology, psychology and labor economics the schools teach, but after the principles of these studies have been inculcated, it remains for the student to go to living sources for vocational information if he would stem the tide of aimless drifters. He must learn how the world's work is done in the office, the factory, the field. An increasing fund of knowledge may be gleaned from the vocational texts and current periodicals, but as vocational guidance is only less new than employment management, the chief source of information is the occupations themselves. Each should be studied from two standpoints. The nature of the occupations should be analyzed in order to make specifications; their requirements in workers in way of training, experience and personal qualities come next. New vocations multiply like the loaves and the fishes; old vocations change over night. New values are given working conditions in

these days when the elimination of shadows is considered a serious economic problem. The vocational director can never reach a calm where he may rest his oars, satisfied that he knows all that he should know. The undercurrent of progress will drag him to an unknown sea unless he pulls steadily towards the receding goal of better service.

Real employment management is vocational guidance. It develops the source of labor supply, makes right selections of workers, places them properly, does intelligent follow-up work, transfers and adjusts and promotes until every employe in the plant has the best possible job. And it is more than this. It is social engineering, not only for those selected for the plant, but for all the applicants that for any reason cannot be taken into the organization. To succeed in a large way the employment manager must deal not only with the labor requisitions of the day, but with those of all the days to come. With a keen eye on development of sources of labor supply, he will weigh the possibilities of each rejected candidate for employment, and give that candidate a vision of himself as a trained, efficient worker in an occupation for which he seems fitted. With those who have not passed the formative years the possibilities are numerous, and the vista shown must be wide and long. But with the majority of rejected applicants the formative years have passed, and circumstance has to a large extent shaped the life.

It is pitiful to review the number of applicants who ask vaguely for work of any kind. Many of these are intelligent men and women with latent possibilities. A few months ago a neat young matron of this class came into our office. She had a grammar school education and the common experience of the untrained. She had been a clerk in a retail store, she had served tables in a restaurant, she had mangled in a laundry. Inquiry drew out the fact that she had liked her arithmetic best of her school studies. On our request she did readily a problem in fractions and another in decimals. We advised her to take a course in operating a bookkeeping machine. Our plant was at that time combing the country for a number of such operators, as commercial high school and business schools generally are not even yet alive to the need for these operators. We succeeded in getting the required number only after days of searching and vexing delays. We



explained to the applicant the opportunities in this field, the salaries paid, the nature of the work, and we discussed its probable future. As she had a child to provide for, we secured her a part-time position in a city in which such a course was offered by a bookkeeping machine company. With little time and effort on our part, the young woman is now in the class of trained workers, earning an excellent salary. This is but one of many cases in which we have been able to persuade applicants who have drifted from one small job to another, to prepare themselves for a real job. Lack of ambition in this direction is rare. Thought has not been directed towards definite training for a line of work within their possibilities of success, and they have not known where to go to learn about the preparation for any vocation. Their friends are like themselves—drifters until by chance caught up by one interested in making human material into the best product for which it was designed.

If the employment manager gives vocational advice and information painstakingly to rejected applicants, he will presently have built up in the community of the plant an excellent source of labor supply, and he will have increased the good will of the plant. Employees living at home are a small factor in labor turnover. They have community interests and family ties to anchor them to service. Organized industry profits directly by applied vocational guidance. And the employment manager should be able to act as vocational guide.

In these days of rapid production, laths, power conveyors that handle the product from raw material to the waiting freight cars, and full automatics even in our counting, calling and filing systems,—all such classes of labor must be better trained. Industry demands constructive service from its workers, most of all from those who have any part in moulding men's destinies.

Labor can never go back. The scarcity of labor has brought out inventions to do every kind of work that does not require brain. And as we stood a few months ago in one of the country's greatest war industries, and watched long rows of huge automatics use tool after tool with precision and toss the finished product out at regular intervals, it seemed that a substitute had been found for brain. But while we looked there came a jarring note in the loud purring of the machines. Then it was that a man appeared. Quietly and effectively he plied his trade,



and the monster purred once more. Even the full automatic must have the tool setter in the background. The handy man is passing, the trained man is rising to a higher plane of skill.

Experience has been for many employers the sole criterion by which a man was judged. Executives now know that a man may have done a thing badly for ten years. We ask a man what he can do, and to show us how he does it. There was a time when employers delayed decisions until they looked up references. Was there ever a man who could not get recommendation from someone in a position of authority? We recall an experience in a machine concern. A rival company sent a form reference to be filled out. The plant official to whom it was sent remarked, "Well, Brown was no good here, but I won't keep him from working for the M—— Company." Men seem to feel that it is a breach of the unwritten code to say anything against a man who has given their names as references. When the sudden and unprecedented need for workers sprang from the World War, references went into the discard with other slow processes. Statements of experience went with them. Skilled workers instead of merely experienced workers were sought by production men.

Vocational training received the thought of the chiefs of industry. Our government established intensive training courses. Organized industries throughout the country opened vestibule schools. A few colleges and secondary schools tardily followed. Today a man in a government plant is paid a good wage while learning to do almost any part of its work. One great industry trains foremen for their job as teachers. Another transforms skilled mechanics into teachers of newly inducted workers through the medium of schools. A school has recently opened to teach firemen their job. It is the era of training for every vocation. Efficiency experts figure that there is a scientific time study for even variable operations. Operations are divided into tasks; each task is studied until motions are reduced to the minimum. Training is everywhere the essential thing. It behooves the vocational director to keep abreast of the vocational demands and the places where training may be secured to meet them. The employment manager who has this knowledge applies it to the plant workers who seek promotions, the new employes who aim to develop into experts, and the rejected applicants who are potential employes.

## The Resolutions of the War Emergency Congress of the United States Chamber of Commerce<sup>1</sup>

*Cancelling War Contracts.* It is in the public interest that all war orders placed by any contracting agency of the government and accepted in good faith, whether formally and regularly executed or not, should, upon cancellation by such contracting agency, be promptly and equitably adjusted and satisfied as if every formality had been observed, and when so adjusted the amount ascertained to be due by the government should be promptly paid to the end that these funds may be utilized by the industries of the country to speed their transition from a war to a peace basis.

If it should be ascertained that legislation is necessary or desirable to accomplish this end, Congress should forthwith enact such legislation.

Officials dealing with questions of adjustment on account of war orders must necessarily be familiar with all the conditions affecting the order. It will greatly promote expedition and the interests of both the government and private enterprise for the officials who made the contracts to remain in the government service to participate in the readjustments.

*Surplus Supplies.* Under date of November 29, 1918, the Secretary of War issued a public statement, *i.e.*, "To prevent too violent dislocation of industry from the standpoint of both employe and employer, accumulation by the war department of either raw material or finished product will be distributed when and where liquidation of such supplies will least interfere with the return of industry to normal condition." Such action would seem to insure the stability of the industries affected which fully appreciate this liberal position.

Therefore the war service committee of American industries

<sup>1</sup> The following resolutions bear only in part on the problem of a reconstruction labor policy. Labor questions, however, are so closely interrelated with other problems of reconstruction that the editor has judged the following pronouncement of organized business (last general session of the War Emergency Congress of the United States Chamber of Commerce at Atlantic City, December 4-6, 1918) to have sufficient interest and importance to warrant its inclusion in a volume given over exclusively to the subject of labor.

hereby tender to the war department their services for their respective industries for the purpose of advising with and assisting the war department in the disposition of such materials.

*Removal of Restrictions.* It is in the public interest that all war regulations of industry should be revoked and all war restrictions on industry should be removed as speedily as practicable, save such industries as are engaged in the production, preparation or distribution of foods, feeds, and fuel and such last named group of industries should be freed from war regulations and restrictions as early as consistent with the welfare of this nation and of the Allies.

*Pivotal Industries.* Conditions brought upon us by the European war at its beginning; as well as our national necessities after we entered the war, made it of the highest importance that a number of industries should at once be developed in the United States. Large investments, both of capital and skill have since been placed in these enterprises. Upon the production of some of them, relatively small in themselves, the continuation of some of our largest industries has depended. Some of the recently developed industries have national importance in fields much broader than the markets of their products; for they may serve for example, to promote scientific research, which will add to national efficiency, resources, and wealth in many distinct ways.

It becomes essential, therefore, that the government should at once proceed to ascertain the industries which have been developed during the European war and ascertain those, the maintenance of which are indispensable for the safety of our industrial structure and our military establishment.

When these pivotal industries have been ascertained, means suitable in view of their nature, and situations should at once be provided for their encouragement and preservation.

*Industrial Coöperation.* The war has demonstrated that through industrial coöperation great economics may be achieved, waste eliminated and efficiency increased. The nation should not forget, but rather should capitalize these lessons by adapting effective war practices to peace conditions through permitting reasonable coöperation between units of industry under appropriate federal supervision.

It is in the public interest that reasonable trade agreements

should be entered into, but the failure of the government to either clearly define the dividing line between those agreements which are, and those which are not, in unreasonable restraint of commerce, or to provide an agency to speak for it on application of those proposing to enter into such agreement in effect restricts both industry, and the general public of its benefits. The conditions incident to the period of readjustment renders it imperative that all obstacles to reasonable coöperation be immediately removed through appropriate legislation.

*Federal Trade Commission.* The Federal Trade Commission was advocated by the President, and was created, as an agency to make the administrations of our trust legislation explicit and intelligible, and to provide "the advice, the definite guidance and information" which business enterprises require. The normal importance of the commission's task is now tremendously increased by the imperative need for whole-hearted and sympathetic coöperation between the government and industry especially during the readjustment period and suggests the desirability of the two existing vacancies in the commission's membership being promptly filled with able men of broad business experience and clear vision prepared to assist actively in discharging these tasks along constructive lines.

*Industrial Relation.* The convention heartily endorses in letter and spirit the principles of the industrial creed so clearly and forcibly stated in the paper read to it Thursday morning by Mr. John D. Rockefeller, Jr., and urges upon all units of industry where they may not be employed—the application of such principles.

*Relocation of Labor.* The conversion of the industry of the country from a peace basis to a war basis involved a general and important dislocation of labor. This movement was gradual. The end of the war involves a much more rapid change in industry; while there will be a great demand for labor to meet the foreign and domestic requirements there may be for a time in special places a temporary condition of unemployment.

In the new relations of industry to labor we conceive it to be incumbent upon the community affected promptly to meet such conditions.

*Public Works.* The development of public works of every



sort, as recommended by the president, should promptly be resumed, in order that opportunities of employment may be created for unskilled labor.

*Taxation.* The cessation of hostilities brings to business interests a feeling of deep concern in the matter of taxation. The problems of readjustment are made more difficult through inequalities in the present law.

We believe, therefore, that in the consideration of amendments to the present act, or the passage of new revenue legislation to the views expressed by organizations of commerce and industry. Ability to pay, inventory values and proper reserves together with careful survey of the amount of revenue required under the new conditions are matters of vital importance to business interests of the nation during this readjustment period.

*Inventories.* We urge that Congress should give careful consideration to the grave menace now facing all industry due to the fact that both raw materials and finished goods are carried in full measure to meet the extraordinary requirements of the government and of the people, and that in large part the stocks have been acquired at abnormal cost and are therefore carried into inventories at inflated values, thereby showing apparent profits which have not been realized, and which probably will never be fully realized. These are largely bookkeeping or "paper" profits, and should not be used as a basis for taxation.

We therefore recommend that any tax law shall provide that during present conditions the taxpayer shall be allowed to make a deduction from his apparent profit by way of a reserve for a subsequent shrinkage in the value of merchandise.

We believe that the interests of the government can be protected against abuse of this privilege by the fixing of a maximum percentage of deduction to be allowed, and by the use of proper methods of inspection and appraisal.

*Railroads.* The Congress of the United States should speedily enact legislation providing for the early return under federal charters to their owners of all railroads now being operated by this government under federal regulations permitting the elimination of wasteful competition, the pooling of equipment, combinations or consolidations through ownership or otherwise in the operation of terminals, and such other practices as will tend to economies without destroying competition in service.



*Means of Communication.* We are opposed to government ownership and operation of telegraphs, telephones and cables.

*Merchant Marine.* We recommend that the construction of a great merchant marine be continued and amplified, and that its operation under American control be kept safe by such legislation as may be necessary to insure its stability and its lasting value to American industries.

*Port Facilities.* The recommendations of the Port and Harbor Facilities Commission of the United States Shipping Board for development ports are supported. Vessels of foreign register needed for our commerce by sea are attracted to those ports which are best fitted to coal, to load and to unload cargoes, and thus provide means for a quick turn-around.

After ascertaining the port facilities of European countries, and their plans for further development, the commission has recommended that there should be a local port commission at each of the important ports upon our coasts, that upon these commissions there should be representatives of industrial, commercial and railroad interests centering at the port, that facilities should be installed to meet the needs of the port, and that a zone system should be arranged by which exports and imports would flow through those ports which are within economic transportation distance of the points of origin and destination.

There should be coöperation with the Facilities Commission in its task of expanding means which will enhance the position of the United States among maritime nations.

*Public Utilities.* Public utilities have faced difficult problems, which have been accentuated by conditions arising out of war. The development and efficiency of such a utility as local transportation has immediate importance for every community.

It is recommended that the Chamber of Commerce of the United States should appoint a committee to investigate and study the question of local transportation as it relates to the control of rates and service, franchises, taxes, the attraction of capital into the business, and such other questions the committee may find pertinent. Such a committee should report its recommendations to the board of directors of the National Chamber, and the board should deal with them in accordance with the established procedure of the chamber.

*Water Powers.* Industrial activity is dependent upon the available supply of power. A bill which would affect the development of hydro-electric power upon waterways and lands which are subject to federal jurisdiction is now before a committee of conference between the two houses of Congress. It is important in the public interest that federal legislation on this subject should be enacted without further delay. We accordingly urge that the conference committee arrive at an acceptable form of legislation in season for enactment at this session of Congress.

*International Reconstruction.* In war we have made common cause with the Allies. We should likewise make common cause with them in seeking the solution of the immediate problems of reconstruction which they face, because of the efforts they put forth in the war. These problems peculiarly depend for their solution upon commerce.

Raw materials and industrial equipment which we possess the Allies urgently require, that they may reconstitute their economic life. We should deal generously with them in sharing these resources.

In order that we may share our materials with the Allies, we must also provide them with credits through which they may make the necessary payments.

Our ocean tonnage must supply our troops overseas and help to provision the inhabitants of war-devastated regions. The part of our ocean tonnage not required for these paramount needs, and vessels of associated countries which are in a similar situation, should be entered into the common service of all nations. This common service should secure to all nations their immediate needs of food, raw materials, and transport for their products.

*European Commission.* The business men of the United States, having devoted their energies and resources toward the winning of the war, regardless of sacrifices or burdens, in support of the principles for which this country fought, appreciate the necessity of continuance of unrelenting effort in order that the world may be restored to normal conditions as quickly as possible and the blessings of peace brought to all peoples.

In the accomplishment of these results the highest efficiency of the great commercial and industrial powers of our own country

and that of the Allied nations will be developed only through coöperative effort and common counsel.

In order, therefore, to contribute to the fullest toward the prompt solution of the problem presented, the Chamber of Commerce of the United States is requested to enlist the coöperation of national bodies devoted to the extension and promotion of American commerce and particularly foreign trade, in the appointment of a commission representative of American business, which shall proceed without delay to Europe and establish machinery for the following purposes:

A. To study at first hand the reconstruction needs of European countries in conjunction with business men of these nations in order to advise the business men of the United States as to how they may be most helpful in meeting the necessities of Europe and caring for the interests of American industry and commerce.

B. To be available to the peace delegates of the United States for any needed information which they may be able to present or for any other aid which may be given by the business men of the United States through the medium of such a commission.

The Chamber of Commerce of the United States also is requested to appoint members of the commission to represent the business men of the United States at the forthcoming meeting of the International Congress of Chambers of Commerce.

*European Committee.* Many other suggestions were received and considered. All of them will be transmitted to the Chamber of Commerce of the United States for its information.

*Foreign Trade Markets.* We strongly urge upon our government the vital necessity of encouraging and developing our foreign trade through all appropriate means possible, in order that the production of industry may afford employment to wage-earners and prosperity to the nation.

*South American Relations.* It has long been the policy of this nation to cultivate relations of close sympathy with the nations of the Western hemisphere as expressed in the Monroe Doctrine. We believe that these relations should be supplemented and strengthened by a vigorous development of our commercial and financial associations with our neighbors of North and South America.

The government's control of shipping should be brought to

the accomplishment of this purpose as soon as it is consistent with other urgent needs, and the work of the Pan-American Union should be continued and broadened in scope.

*Property Rights in Mexico.* By provisions in a constitution adopted while much of the country was engaged in civil strife, and through subsequent legislation, Mexican authorities have threatened rights acquired by Americans in good faith, especially in minerals, including petroleum. Against threatened confiscation the American government made formal protests. The attitude taken by the American government is heartily commended as in accordance with obvious justice.

*Education for Foreign Trade.* In the larger opportunities which are to be opened to American business men to play a part in the international commerce of the world the need will be felt for more men who are trained to a knowledge and understanding of the language, the business methods and the habits of thought of foreign lands. Complete success can only come to those who succeed in putting themselves into full accord and sympathy with the peoples with whom they are to deal.

We urge upon our industrials that they take steps to provide opportunities to young men to obtain an education in the practices of overseas commerce and finance and in the practical use of foreign languages.

We call the attention of the various departments of government and to educators to the importance of this matter and ask that special efforts be made to supplement the valuable work already done and to open up every facility to the furtherance of a successful prosecution of this educational work.

*Forest Products.* The Forest Products Laboratories, of the United States Forest Service, have rendered valuable service through scientific investigation of the physical properties of American woods and their adaptability for structural, industrial and ornamental usage. It is of great importance to American industry that the government should extend and adequately maintain the work of the forest products laboratories.

*Cost Accounting.* It is the sense of this convention that uniform cost accounting should be adopted by industries.

*National Trade Association.* The experiences of the war have clearly demonstrated the value of national trade organizations and their service to the country as well as to industry.

This conference heartily approves the plan of organizing each industry in the country in a representative national trade association and expresses the belief that every manufacturer, jobber and producer of raw materials should be a member of the national organization in his trade and cordially support it in its work.



## Capital and Labor<sup>1</sup>

By CHARLES M. SCHWAB

THERE is a question of great and timely importance, to cover which no one can lay down general rules, and that is this great and important labor question. I am one of the men who believe in the fairness of American labor. I am one of the men who believe that the only foundation upon which any of these things can permanently rest is the economic use of everything, whether it be labor, material, manufacture or what not. Any foundation of organized labor or capital that is on a false basis must fail. We started in some twenty years ago on a series of exploitations that many people called trusts and there were many such concerns organized that had as their prime motive the artificial idea of either restricting production or increasing the selling price. You have seen them, one after the other, fail and fade away. That was on a wrong basis. Our Congress, our legislature in Washington, realized it, and rightly and justly took steps to correct it. What has been true of capital will be equally true of labor, and therefore the education of the American laboring man must be to have him realize that his permanency and success, and the success of the nation, will depend upon labor conditions and capital conditions that are founded on economic principles first of all. I have had my hand in this matter of the organization of capital. I know something about it; I know what I am talking about.

The other night at Bethlehem I told a story about a dream I had had. Now that I look back over those days and the participation I had in them, I shudder a good deal. When the investigations of capital and the organization of great companies were taking place, I commenced to feel a good deal disturbed, and with all the agitation in the press commenced to feel that perhaps I had participated in something that was sinful and dishonest, and all sorts of things. I am a good Catholic. Now there is Father Zahm, the great Catholic priest, who went with Theodore

<sup>1</sup> Reprinted from address delivered before the War Emergency Congress of the United States Chamber of Commerce, Atlantic City, December 4-6, 1918.

Roosevelt up the river of doubt, but who has never left any doubt in my mind as to where he stands. I decided that, being a good Catholic, I would go to confession, and I shrived my soul of all these doings. Father Zahm was in the confessional, Mr. Morgan was on one side of the confessional and I was on the other. Suddenly the Father disappeared and I said to Mr. Morgan "Where has the Father gone?" "Oh," he said, "he has just gone out in the church a moment." I said, "Don't you believe it! He has gone for a cop."

We shrived ourselves of these misdoings. We had learned our faults. We have learned where we were wrong. Up in Washington they stopped us—they did stop us—they do not do it now. They had to get us together to help things out a little. They found in Washington that it was a good thing to have people act in unity when many of these big problems had to be discussed and solved. They found it was a good thing to have the products of this country distributed from a common center for economy's sake and for the good of the nation, and that the mistakes were not all the fault of capital. Much good came from it, but like most of these things they went too far and they had to be corrected.

I am not opposed to organized labor. I believe that labor should organize in individual plants or amongst themselves for the better negotiation of labor and the protection of their own rights; but the organization and control of labor in individual plants and manufacturies, to my mind, ought to be made representative of the people in those plants who know the conditions; that they ought not to be controlled by somebody from Kamchatka who knows nothing about what their conditions are.

But, in the years gone by, I seriously doubt many times if labor has received its fair share of the prosperity of this great country. We, as manufacturers, have got to open our eyes to a wider vision of the present and the future with reference to our workmen. We have got to devise ways and means by which capitol and labor, that have so often been termed synonymous, shall share equally, not in theory, but in practice. We have got to devise ways and means of education. We must not only talk about these things but we must do these things. We have got to realize that many unjust demands will be made by labor as

they probably have been made by capitalists and employers in the past. That is one of the lessons this great war has taught us—true democracy. The thing we have to do is to teach, not patronize, to educate and have the American laborer know and feel that he can stand with his head in the air as you can and as I can, and say with pride, "I am an American citizen." What does American citizenship mean except that any man to be a true American citizen must be able to hold up his head and feel within his heart that he has done his duty to his nation and to his fellow men. What prouder thing is it for any man to say than, "I am an American citizen." What greater nation is there on the face of the earth, what nation that God has endowed with more natural resources than this great nation of ours? Above all He has endowed it with a people so filled with energy and patriotic enthusiasm and integrity as to place the American nation for all time to come at the head of all nations of the world.

My work in Philadelphia and in Washington in connection with the fleet has been exceedingly interesting. It is exceedingly interesting now. It is very important now. I telegraphed, however, a few days ago to the President of the United States that, important as this work at Washington was, I felt that having 170,000 employes of my own and a payroll of twenty-five million dollars a month I could be of greater service to this nation and this country by retiring from the work I had in Philadelphia to the study of important questions that would arise in connection with this transition period in the various industries of the United States, and I begged to be relieved from one important duty to take up what I believed to be a more important duty.

That is what I feel is our duty, as manufacturers now, if we want to preserve the situation in America. We have to study it with utmost care. Each manufacturer must study his own case and his own situation from his own standpoint and must know his own conditions. There can be no general rule that will be applicable to all. We ought to urge a continuance of work in every direction. Matters will adjust themselves industrially in this country sooner or later by the natural course of events, but what we want to prevent is that sudden slip of the cog which will give us a social jolt that may be dangerous to our industries for years

to come. We must be patient. We must go along with small or no profits if necessary. We must bend every effort to keep our employes busy, employed and satisfied. They must be made to realize the situation as we see it and be content to help us in that development. We must get closer together with our work people. We must listen with patience to their side of the story, and we must induce them to listen with patience to our side of the story. The day of autocracy in government and labor has gone by. It is the day of democracy in which we now stand shoulder to shoulder for the protection of our mutual interests and above all for the protection and glorification of this great and glorious country of ours.

The message which I have given you is a general one, but if I can get into your hearts and minds the spirit that I have in my own, which I have learned from the lessons of this war, as most of you have learned them equally with me, I shall feel that I have accomplished much. I would emphasize the fact that we must face a new condition of affairs, that we must work out the problems connected with it, that we must expect troublous times and difficulties in the working out of these problems but above all we must plunge ahead with the confident belief that the business, industrial and manufacturing interests of the United States are going onward and upward in spite of any condition that may arise in this great country.

I am an optimist. I am not a pessimist. During my career in business life, during periods of greatest depression, I have never lost confidence in the United States or its manufacturing and industrial position. I remember very well in 1887, when as engineer of the Carnegie Company I was building a rail mill, full of youthful enthusiasm I wrote Mr. Carnegie that this mill would produce a thousand tons of rails a day. He wrote back and said "Young man, I have agreed to the foolish expenditure of the money for that great mill. I will exact only one condition, and that is that you never tell any one that we are foolish enough to believe that this country will ever require a thousand tons of rails a day." 1887 is not so very long ago, and yet this country can very well consume now from 20,000 to 25,000 tons of rails per day.

So it has been true in every branch of industry with which I



have been connected. It has gone on by leaps and bounds. Periods of retraction and recession and depression have come, but the grand curve and the general trend, is always upward and onward. So that those of you who have industrial establishments, and capital invested in the same, may take from me the note of optimism that I have. My only thought and wish is that I had a good deal more to look forward to in the future, not because of the money that it is going to give me—for I do not know whether I have any money these days or not after I have paid my taxes; I am afraid to look. I borrow all the money I can. I was a great buyer of liberty bonds but I have not been able to pay for one of them. I tried to borrow some money from Stotesbury of Philadelphia. I went around to his place and said "I must see how much I can get from you." He said, "You're an old friend and an old customer; you can get all you want from us; we will give you half a million dollars." I said, "No, I have to have a lot more than that. There is Mr. Baker in New York; he promised me more than that, and he don't know me." Mr. Stotesbury replied, "That is the reason he is willing to give it to you."

I read in the paper yesterday morning about a bank president who got nervous seeing me come into his bank because he knew I would borrow all the money I could get from him and that I would put it into smoke stacks and chimneys and boilers and rolling mills, etc. I thought to myself, "That is a pretty harsh criticism." I sincerely felt that when the achievements of my life had been completed and my obituary is being written if I can leave as a monument a long line of smoke stacks and boiler works and rolling mills and industrial establishments, I shall be prouder than of the grandest monument men might erect in my memory.

One morning a superintendent in one of the shipyards on the Pacific Coast discharged a workman. He said, "Mike, we don't want you any more; you are no good." Mike went home, but the next morning he was at work on the same job in the same place and everything seemed just as usual. The superintendent came out and saw him and said, "Why, I thought I discharged you yesterday." Mike said, "You did, but don't you do it again, because my wife gave me hell for it."



We Americans may be great manufacturers and all that, but we have always paid the same tribute of respect to our wives that this great nation has paid to the women of the United States in this great crisis. Why should we not do that? I do not mind being scolded by my wife, for I know she is usually right. Why should we not expect this of American mothers and American wives, the true women of a true nation, the true wife of a true American and the true mother of a true American son?

When this great war is over and peace is signed, and we are back once more to the everyday conditions of life, it is not going to be the men who built the airplanes or the men who built boilers or the men who built engines whose names will go down in the golden pages of history, but it will be the names of the boys in the trenches of Flanders who have offered the supreme sacrifice of their lives for our nation—it will be their names which will ever be remembered on the pages of the history of this great country of ours. While it has been a pleasure to build ships to transport and feed these boys while they have been over there, the pleasure is an hundredfold keener to build ships that will bring home the boys who have brought to us the great victory and standing of this great country of ours.

The two points I want to emphasize are that we must all give our best thought, our best recommendations and our best endeavors. The men in business in the United States are not the men who are working for money alone. The chief pride of American character is successful accomplishment. It may be measured by the dollars that go into his coffer, but the real throb and thrill of pleasure that comes to his mind is one of successful accomplishment. Let us fill our minds and hearts with determination that we American manufacturers and American business men are going to have successful accomplishments, that we are going to have them in an honorable way and that we ask our great representatives in Washington, from the President and the Secretary of Commerce down, to help American business men help sustain the prestige of the American nation and that we pledge ourselves to treat fairly with that great army of workmen who must share with us the prosperity and happiness of this great country of ours.

## Post-War Standards for Industrial Relations<sup>1</sup>

By HENRY P. KENDALL

NO serious minded men today feel that we shall return to the *status quo ante*. Prior to the war the problem of industrial relations was the greatest problem with which the American people had to deal. The need of immense production after the beginning of the war caused a violent readjustment of the machinery of production. With it came an equally complete change in the matters of working conditions. The withdrawal of so many men for the army accentuated this. The increased cost of living, the failure at the outset to regulate matters affecting production and labor upset the former balance of economic laws of supply and demand, with the result that labor found itself in the position of having the balance of power. The extravagant and disproportionate increase in wages and the unregulated competition of government departments, munition plants and private enterprises caused such a degree of unrest that the government was compelled to interfere or else face the possibility of failure of winning the war.

The governmental agencies set up in the various wage adjustment boards, at first working independently, then in the so-called War Labor Board and War Labor Policies Board, unquestionably have served a purpose, but for one reason or another have failed to win the confidence of any great portion of the country. The war has now ceased. The labor problem stands in higher relief as the great problem facing the American people today. The question before organized business is, will they be far-sighted in formulating a declaration of right principles on which they can meet employes and the public on a new forum where sound industrial relations can be secured and maintained not by a measure of economic strength as in the past but by the rule of reason.

There are four ways in which this problem will be considered. *First*, a set of federal industrial courts after the plan of the Australian system, through which compulsory arbitration is virtu-

<sup>1</sup>Address delivered before The War Emergency Congress of the United States Chamber of Commerce, Atlantic City, N. J., December 4-6, 1918.

ally in force, with a huge governmental machinery set up to carry it out. The experiences of the war period hardly tended to increase the confidence in or the desire to further on any large scale governmental interference in this delicate and complex problem. There is the *second* plan of wage adjustment boards set up by the industries themselves and their employes with equal representation on each side. These boards should in advance determine and agree on standards of wages, hours and conditions of employment, in which both parties interested should have an equal voice. Such boards today in many large industries are working well. The most important contribution which the War Labor Policies Board has made has been its attempt to further this plan in such industries as the metals, needles trades, and building trades. The *third* method of approaching the problem of industrial relations is to hold that since labor and management are in an irreconcilable conflict, proper procedure is merely to keep up the fight until one side is beaten or things get so bad that the country at large will take a hand. The *fourth* plan is simply to let things drift to an approximation of a *status quo ante*, which very few believe is either sound or wise.

The second plan, it seems to me, is the only possible safeguard for management and is sound in business principles and in ethics. Farseeing business men today would do well to speak in no misunderstood fashion and declare the principles for which they stand. They must be ready to meet the situation squarely with a full knowledge of economic law and the laws of society. There are certain principles on which wage adjustment boards by industries are founded. An outstanding part of the plan is to grant representation within shops, on the theory that the employes are entitled to a voice in determining the conditions under which they work. Other principles which should govern and on which any wise action can be taken are the following:

- (1) The recognition that industrial enterprises are the source of livelihood to workers as well as to employers and should be conducted with a view of the greatest opportunity for all concerned.

- (2) That much of the industrial unrest is caused by irregularity of employment which can be lessened greatly if industries and communities will face this problem and feel it is their responsibility, and coöperate to standardize methods, customs and styles,

to give regularity of employment. The conservation measures of the War Industries Board have shown to what extent improvements in manufacturing methods and production can be made when industries are willing to standardize. So also on regularity of employment equal improvements can be made.

(3) The right of workers to organize in joint action not inimical to the general welfare cannot be denied. Such recognition, however, must be joined with responsibility of both parties to the faithful observance of collective agreements and coöperation with the management to promote the efficiency of the establishment as a whole.

(4) Impartial agencies such as outlined above must be set up to interpret agreements and to apply them in particular cases and to make prompt and authoritative settlements.

(5) The right of all workers, including common laborers, to a living wage is declared.

(6) When the volume of business declines, wages should be the last item to be cut down. It has been demonstrated that high wages and national prosperity are corollaries.

(7) Wherever there is a standardized wage there should be a definite standardized measure of performance and all workers have a right to compensation in proportion to their individual accomplishments, ability and service.

In any plants where there are sufficient numbers of employed, where the personal relations of the proprietor are more or less lost, the interests of the employes should be delegated to some one person as a labor manager or director of personnel who should have charge of this function of business. It is my conviction that the Chamber of Commerce could do no more useful work than furthering throughout the business interests of the country the idea of the importance of the employment manager by which industries and corporations shall have a department which is sensitive and responsive to the grievances and aspirations of the employes.

In panic times, the country realizes the inflexibility of the present methods of distributing labor. The Labor Department has established a system of public employment offices. I believe that in theory this is just as sound for the flexibility of labor as the Federal Reserve Board is for the flexibility of currency. These,

however, should not be contaminated with a political influence. The practice should be extended by decentralized control through local agencies made up of representatives of employers and employes and the public should control such agencies and a high standard of efficiency be reached.

Unless a study of underlying social conditions in Germany, in Russia, in Great Britain, as well as in our own country, will disclose strong currents setting in definite directions, it is the responsibility of wise business men through organization to discover these currents and help to direct them into proper channels. This cannot be done by ignoring the great problem of industrial relations or simply fighting organized labor. The sound solution of this great problem will determine the future political, economic and social stability as well as the industrial prosperity of this great country. Shall the only big organization representative of business in its broadest sense throughout the country remain silent on this subject? Is there any more important business problem? Shall it lead the way and declare a set of principles about which business may rally and which shall serve as a guide to governmental action so far as it is required, in addition to what the business men of the country in conjunction with the workers accomplish by their own means?



## Representation in Industry<sup>1</sup>

By JOHN D. ROCKEFELLER, JR.

**A**T last the war is over. Less than a month ago every nerve was being strained for the purpose of enlisting, training and equipping four million men to reinforce, as speedily as possible, the battle-worn but unyielding forces of our Allies. Every wheel in industry was turning at top speed to supply munitions and the necessities of war. The peoples engaged in the conflict stood ready to stake their all on the outcome of the struggle. The future of civilization hung in the balance. Was the iron heel to trample ruthlessly on humanity, or was right to triumph over might?

In the contest, millions of lives have been sacrificed; billions of dollars expended; rich treasure destroyed; cities, towns and villages laid waste; vast stretches of country desolated. No one can estimate the human suffering, misery and sorrow involved. But now, thanks to the indomitable courage of the Allied nations, backed by our gallant troops, the issue has been fought out and tyranny overthrown.

The war has taught many lessons; one of the most useful is the value of coöperation. The successful outcome of the conflict was largely the result of the most complete coöperation. Irrespective of race, color or creed, men worked and fought and suffered and died, side by side. The kinship of humanity has come to be understood as never before. Common danger, common toil and common suffering have developed the spirit of brotherhood.

Today we stand at the threshold of the period of reconstruction. As we address ourselves to the grave problems which confront us, problems both national and international, we may look for success in their solution just in so far as we continue to be animated by the spirit of coöperation and brotherhood. The hope of the future lies in the perpetuation of that spirit. Only as those who sit around the peace table are imbued with it will their efforts result in an outcome at all commensurate with the price which has been paid for peace.

<sup>1</sup> Address (revised) delivered before The War Emergency Congress of The United States Chamber of Commerce, Atlantic City, December 4-6, 1918.

In international affairs America has seen clearly the fundamentals of reconstruction, and has sought to enhance human well-being by coöperation among nations and the establishment of conditions which make coöperation possible. It is to be hoped that upon the problems of national reconstruction she will bring to bear the same clearness of vision and the same high purpose. Among these problems none is more important than that of industry, none more pressing, since industry touches almost every department of life. It is this theme, or, more particularly, the one phase "Representation in Industry," that I desire briefly to develop.

We must ask ourselves at the outset certain fundamental questions. First,—What is the purpose of industry? Shall we cling to the conception of industry as an institution primarily of private interest, which enables certain individuals to accumulate wealth, too often irrespective of the well-being, the health and the happiness of those engaged in its production? Or shall we adopt the modern viewpoint and regard industry as being a form of social service, quite as much as a revenue producing process?

Is it not true that any industry, to be permanently successful, must insure to labor adequately remunerative employment under proper working and living conditions, to capital a fair return upon the money invested, and to the community a useful service. The soundest industrial policy is that which has constantly in mind the welfare of employes as well as the making of profits, and which, when human considerations demand it, subordinates profits to welfare. Industrial relations are essentially human relations. It is therefore the duty of everyone entrusted with industrial leadership to do all in his power to improve the conditions under which men work and live.

The day has passed when the conception of industry as chiefly a revenue producing process can be maintained. To cling to such a conception is only to arouse antagonisms and to court trouble. In the light of the present, every thoughtful man must concede that the purpose of industry is quite as much the advancement of social well-being as the accumulation of wealth. It remains none the less true, however, that to be successful, industry must not only serve the community and the workers adequately, but must also realize a just return on capital invested.

Next, we must ask ourselves, who are the parties to industry? The parties to industry are four in number; they are capital, management, labor and the community. Capital is represented by the stockholders and is usually regarded as embracing management. Management is, however, an entirely separate and distinct party to industry,—its function is essentially administrative; it comprises the executive officers, who bring to industry technical skill and managerial experience. Labor consists of the employes. Labor, like capital, is an investor in industry, but labor's contribution, unlike that of capital, is not detachable from the one who makes it, since it is in the nature of physical effort and is a part of the worker's strength and life.

Here the list usually ends. The fourth party, namely the community, whose interest is vital, and in the last analysis controlling, is too often ignored. (The community's right to representation in the control of industry and in the shaping of industrial policies is similar to that of the other parties.) Were it not for the community's contribution in maintaining law and order, in providing agencies of transportation and communication, in furnishing systems of money and credit, and in rendering other services,—all involving continuous outlays,—the operation of capital, management and labor would be enormously hampered, if not rendered well-nigh impossible. The community, furthermore, is the consumer of the product of industry and the money which it pays for the product reimburses capital for its advances and ultimately provides the wages, salaries and profits that are distributed among the other parties.

We must next inquire,—What are the relations between the four parties to industry? It is frequently maintained that the parties to industry must necessarily be hostile and antagonistic. I am convinced that the opposite is true; that they are not enemies but partners; and that they have a common interest. Moreover, success cannot be brought about through the assumption by any one party of a position of dominance and arbitrary control; rather is it dependent upon the coöperation of all four. Partnership, not enmity, is the watchword.

If the coöperation between these interests is sound business and good social economics, why, then, is antagonism so often found in its stead? The answer is revealed in a survey of the development of industry.

In the early days of industry, the functions of capital and management were not infrequently combined in the one individual, who was the employer. He in turn was in constant touch with his employes. Together they formed a vital part of the community. Personal relations were frequent and mutual confidence existed. When differences arose they were quickly adjusted. As industry developed, aggregations of capital larger than a single individual could provide were required. In answer to this demand, the corporation, with its many stockholders, was evolved. Countless workers took the place of the handful of employes of earlier days. Plants scattered all over the country superseded the single plant in a given community. Obviously, this development rendered impossible the personal relations which had existed in industry and lessened the spirit of common interest and undertaking. Thus the door was opened to suspicion and distrust; enmity crept in; antagonisms developed. The parties to industry came to view each other as enemies, instead of as friends and partners, and to think of their interests as antagonistic rather than common.

It is to be regretted that there are capitalists who regard labor as their legitimate prey, from whom they are justified in getting all they can for as little as may be. It is equally to be deplored that on the part of labor there is often a feeling that it is justified in wresting everything possible from capital. Where such attitudes have been assumed, a gulf has opened between capital and labor which has continually widened. Thus the two forces have come to work against each other, each seeking solely to promote its own selfish ends. As a consequence have come all too frequently the strike, the lockout and other incidents of industrial warfare.

Then, too, as industry has become increasingly specialized, the workman of today, instead of following the product through from start to finish and being stimulated by the feeling that he is the sole creator of a useful article as was more or less the case in early days, now devotes his energies for the most part to countless repetitions of a single act or process, which is but one of perhaps a hundred operations necessary to transform the raw material into the finished product. The worker loses sight of the significance of the part he plays in industry and feels himself to be merely one of many cogs in a wheel. All the more, there-



fore, is it necessary that he should have contact with men engaged in other processes and fulfilling other functions in industry, that he may still realize he is a part, and a necessary though it may be inconspicuous part, of a great enterprise.

In modern warfare, those who man the large guns find the range not by training the gun on the object which they are seeking to reach, but in obedience to a mechanical formula which is worked out for them. Stationed behind a hill or mound, they seldom see the object at which their deadly fire is directed. One can readily imagine the sense of detachment and ineffectiveness which must come over those men. But when the airplane, circling overhead, gets into communication with the gunner beneath and describes the thing to be accomplished and the effectiveness of the shot, a new meaning comes into his life. In a second he has become a part of the great struggle. He knows that his efforts are counting, that he is helping to bring success to his comrades. There comes to him a new enthusiasm and interest in his work.

2 The sense of isolation and detachment from the accomplishments of industry which too often comes to the workers of today can be overcome only by contact with the other contributing parties. Where such contact is not possible directly, it must be brought about indirectly through representation. In this way only can common purpose be kept alive, individual interests safeguarded and the general welfare promoted. The coöperation in war service of labor, capital, management and government has afforded a striking and most gratifying illustration of this truth.

The basic principles governing the relations between the parties to industry are as applicable in the successful conduct of industry today as in earlier times. The question which now confronts the student of industrial problems is how to reestablish personal relations and coöperation in spite of changed conditions. The answer is not doubtful or questionable, but absolutely clear and unmistakable. It is, through adequate representation of the four parties, in the councils of industry.

Various methods of representation have been developed, conspicuous among which are those of labor unions and employers' associations. As regards the organization of labor, it is just as proper and advantageous for labor to associate itself into organ-



ized groups for the advancement of its legitimate interests as for capital to combine for the same objects. Such associations of labor manifest themselves in collective bargaining, in an effort to secure better working and living conditions, in providing machinery whereby grievances may easily and without prejudice to the individual be taken up with the management. Sometimes they provide benefit features, sometimes they seek to increase wages, but whatever their specific purpose,—so long as it is to promote the well-being of the employees, having always due regard for the just interests of the employer and the public, leaving every worker free to associate himself with such groups or to work independently, as he may choose,—they are to be encouraged.

But organization is not without its dangers. Organized capital sometimes conducts itself in an unworthy manner, contrary to law and in disregard of the interest both of labor and the public. Such organizations cannot be too strongly condemned or too vigorously dealt with. Although they are the exception, such publicity is generally given to their unsocial acts that all organizations of capital, however rightly managed or broadly beneficent, are thereby brought under suspicion.

Likewise it sometimes happens that organizations of labor are conducted without just regard for the rights of the employer or of the public; methods and practices are adopted which, because unworthy or unlawful, are deserving of public censure. Such organizations of labor bring discredit and suspicion upon other organizations which are legitimate and useful, just as is the case with improper organizations of capital, and they should be similarly dealt with.

We ought not, however, to allow the occasional failure in the working of the principle of the organization of labor to prejudice us against the principle itself, for the principle is fundamentally sound. In the further development of the organizations of labor and of large business, the public interest as well as the interest of labor and of capital will be furthest advanced by whatever stimulates every man to do the best work of which he is capable; by a fuller recognition of the common interests of employers and employed; and by an earnest effort to dispel distrust and hatred and to promote good-will.

Labor unions have secured for labor in general many advantages in hours, wages and standards of working conditions. A large proportion of the workers of the country, however, are outside of these organizations, and unless otherwise represented are not in a position to bargain collectively. Therefore, representation of labor to be adequate must be more comprehensive and all inclusive than anything thus far attained.

Representation on the employers' side has been developed through the establishment of trade associations, the purpose of which is to discuss matters of common interest and to act in so far as is legally permissible and to the common advantage along lines that are generally similar. But here also representation is inadequate. Many employers do not belong to employers' associations.

Since the United States went into the war, the representation of both labor and capital in common councils has been brought about through the War Labor Board, composed equally of men from the ranks of labor and capital, together with representatives of the public. When differences have arisen in industries where there was no machinery to deal with such matters, the War Labor Board has stepped in and made its findings and recommendations. In this way, relatively continuous operation has been made possible and the resort to the strike and lockout has been less frequent.

In England there have been made during the past year three important government investigations and reports looking toward a more complete program of representation and coöperation on the part of labor and capital. The first is commonly known as the Whitley Report, made by the Reconstruction Committee, now the Ministry of Reconstruction, through a Sub-Committee on Relations between Employers and Employed, of which the Rt. Hon. J. H. Whitley, M.P., was chairman.

To a single outstanding feature the Whitley Report owes its distinction. It applies to the whole of industry the principle of representative government. In brief, its recommendations are that, in the various industries and trades, there should be formed joint industrial councils,—national, district and "works." Labor and capital are to be equally represented in each and the councils presided over by impartial or neutral officers. These recom-

mendations are of additional interest and value in that at once the existing forms of organization, both of labor and capital, are availed of and made the basis for the new coöperative councils with such additions only as may be necessary.

The national councils would be composed of representatives of the national trades unions on the one hand, and representatives of the national employers' associations on the other. District councils would include representatives of district trades unions and employers' associations. In the works councils or works committees, as they are commonly called, representatives of employers and employees would sit together in joint conference and would be in close coöperation with the national councils. The function of the works committees is to establish better relations between employers and employed by granting to the latter a larger share in the consideration of matters with which they are concerned.

The Whitley Plan seeks to unite the organizations of labor and of capital by a bond of common interest in a common venture; it changes at a single stroke the attitude of these powerful aggregations of class interest from one of militancy to one of social service; it establishes a new relation in industry. "Problems old and new," says the report, "will find their solution in a frank partnership of knowledge, experience and good-will."

Another investigation and report was made by a commission on industrial unrest, appointed by the Prime Minister. This commission made, among others, the following interesting recommendations:

1. That the principle of the Whitley Report as regards industrial councils be adopted.
2. That each trade should have a constitution.
3. That labor should take part in the affairs of industry as partners rather than as employees in the narrow sense of the term.
4. That closer contact should be set up between employers and employed.

The third report was prepared by the Ministry of Labor. This report deals with the constitution and operation of works committees in a number of industries. It is a valuable treatise on the objects, functions and methods of procedure of joint committees.

These reports, together with a report on reconstruction made by the British Labor Party, outlining its reconstruction program—

a most comprehensive and thoughtful document—indicate something of the extent and variety of the study which has been given to the great problem of industrial reconstruction in England. All point toward the need of more adequate representation of labor in the conduct of industry and the importance of closer relations between labor and capital.

Further light has been thrown on the general questions treated by those inquiries in an able report made by the Garton Foundation on "The Industrial Situation after the War." This report is a study of the more permanent causes of industrial friction and inefficiency, and of the means by which they may be removed or their action circumscribed.

A method of representation similar to that suggested in the Whitley Report, though less comprehensive, and which is constructed from the bottom up, has been in operation for varying periods of time in a number of industries in this country, including the Standard Oil Company of New Jersey, the Colorado Fuel & Iron Company, the Consolidation Coal Company and others. This plan of representation is worthy of serious consideration. It begins with the election of representatives in a single plant, and is capable of indefinite development to meet the complex needs of any industry and of wide extension so as to include all industries. Equally applicable in industries where union or non-union labor or both are employed, it seeks to provide full and fair representation to labor, capital and management, taking cognizance also of the community. Thus far it has developed a spirit of coöperation and goodwill which commends it to both employer and employe.

The outstanding features of this plan of industrial representation are as follows:

Representatives chosen by the employes in proportion to their number, from their fellow workers in each plant, form the basis of the plan. Joint committees, composed of equal numbers of employes or their representatives and of officers of the company, are found in each plant or district. These committees deal with all matters pertaining to employment, and working and living conditions, including questions of coöperation and conciliation, safety and accident, sanitation, health and housing, recreation and education. Joint conferences of representatives of employes

and officers of the company are held in the various districts several times each year. There is also an annual joint conference, at which reports from all districts are received and considered.

Another important feature of the plan is an officer known as the President's Industrial Representative, whose duty it is to visit the plants currently and confer with the employes' representatives, as well as to be available always for conference at the request of the representatives. Thus the employes, through their representatives chosen from among themselves, are in constant touch and conference with the management and representatives of the stockholders in regard to matters pertaining to their common interest.

The employes' right of appeal is a third outstanding feature of the plan. Any employe with a grievance, real or imaginary, may go with it at once to his representatives. The representatives not infrequently find there is no ground for the grievance and are able to so convince the employe. But if a grievance does exist, or dissatisfaction on the part of the employe continues, the matter is carried to the local boss, foreman or superintendent, with whom in the majority of cases it is amitably and satisfactorily settled. Further appeal is open to the aggrieved employe, either in person or through his representatives, to the higher officers and to the president. If satisfaction is not to be had from the company, the court of last appeal may be the Industrial Commission of the State, the State Labor Board, or a committee of arbitration.

Experience shows that the vast majority of difficulties which occur in an industry arise between the workmen and the subordinate officers who are in daily contact with them. Petty officials are sometimes arbitrary, and it is by their attitude and action that the higher officers and the stockholders are judged. Obviously the right of appeal from the decisions of subordinate officials is important, even if seldom availed of, because it tends of itself to modify their attitude.

A further feature of the plan is what may be termed the Employes' Bill of Rights. This covers such matters as the right to caution and suspension before discharge, except for such serious offenses as are posted; the right to hold meetings at appropriate places outside of working hours; the right without discrimination



to membership or non-membership in any society, fraternity or union; and the right of appeal.

Where this plan has been in operation for a considerable length of time, some of the results obtained are:

First: Uninterrupted operation of the plants and continuous employment of the workers, resulting in larger returns for both capital and labor.

Second: Improved working and living conditions.

Third: Frequent and close contact between employes and officers.

Fourth: The elimination of grievances as disturbing factors.

Fifth: Good-will developed to a high degree.

Sixth: The creation of a community spirit.

Furthermore, the plan has proved an effective means of enlisting the interest of all parties to industry, of reproducing the contacts of earlier days between employer and employe, of banishing misunderstanding, distrust and enmity, and securing coöperation and the spirit of brotherhood. Under its operation, the participants in industry are being convinced of the soundness of the proposition that they are fundamentally friends and not enemies; that their interests are common, not opposed. Moreover, prosperity, good-will and happiness are resulting. Based as the plan is upon principles of justice to all, its success can be counted on so long as it is carried out in a spirit of sincerity and fair play.

Here, then, would seem to be a method of providing representation which is just, which is effective, which is applicable to all employes whether organized or unorganized, to all employers whether in associations or not, which does not compete or interfere with existing organizations or associations, and which, while developed in a single industrial corporation as a unit, may be expanded to include all corporations in the same industry and ultimately all industries. Just what part labor organizations and employers' associations can best take in such a plan remains to be worked out, but certain it is that some method should be devised which will profit to the fullest extent by the experience, the strength and the leadership of these groups. While defects will doubtless appear in this plan, and other methods more successfully accomplishing the same end may be developed, at least it is

proving that in unity there is strength, and that a spirit of coöperation and brotherhood in industry is not only idealistically right but practically workable.

If the points which I have endeavored to make are sound, might not the four parties to industry subscribe to an industrial creed somewhat as follows:

1. I believe that labor and capital are partners, not enemies; that their interests are common, not opposed; and that neither can attain the fullest measures of prosperity at the expense of the other, but only in association with the other.

2. I believe that the community is an essential party to industry and that it should have adequate representation with the other parties.

3. I believe that the purpose of industry is quite as much to advance social well-being as material prosperity; that, in the pursuit of that purpose, the interests of the community should be carefully considered, the well-being of employes fully guarded, management adequately recognized and capital justly compensated, and that failure in any of these particulars means loss to all four parties.

4. I believe that every man is entitled to an opportunity to earn a living, to fair wages, to reasonable hours of work and proper working conditions, to a decent home, to the opportunity to play, to learn, to worship and to love, as well as to toil, and that the responsibility rests as heavily upon industry as upon government or society, to see that these conditions and opportunities prevail.

5. I believe that diligence, initiative and efficiency, wherever found, should be encouraged and adequately rewarded, and that insolence, indifference and restriction of production should be discountenanced.

6. I believe that the provision of adequate means of uncovering grievances and promptly adjusting them is of fundamental importance to the successful conduct of industry.

7. I believe that the most potent measure in bringing about industrial harmony and prosperity is adequate representation of the parties in interest; that existing forms of representation should be carefully studied and availed of in so far as they may be found to have merit and are adaptable to conditions peculiar to the various industries.

8. I believe that the most effective structure of representation is that which is built from the bottom up; which includes all employees; which starts with the election of representatives and the formation of joint committees in each industrial plant, proceeds to the formation of joint district councils and annual joint conferences in a single industrial corporation, and admits of extension to all corporations in the same industry, as well as to all industries in a community, in a nation, and in the various nations.

9. I believe that the application of right principles never fails to effect right relations; that "the letter killeth but the spirit giveth life"; that forms are wholly secondary, while attitude and spirit are all important and that only as the parties in industry are animated by the spirit of fair play, justice to all and brotherhood, will any plan which they may mutually work out succeed.

10. I believe that that man renders the greatest social service who so coöperates in the organization of industry as to afford to the largest number of men the greatest opportunity for self-development and the enjoyment of those benefits which their united efforts add to the wealth of civilization.

In the days when kings and queens reigned over their subjects, the gratification of the desires of those in high places was regarded as of supreme moment, but in these days the selfish pursuit of personal ends at the expense of the group can and will no longer be tolerated. Men are rapidly coming to see that human life is of infinitely greater value than material wealth; that the health, happiness and well-being of the individual, however humble, is not to be sacrificed to the selfish aggrandisement of the more fortunate or more powerful. Modern thought is placing less emphasis on material considerations. It is recognizing that the basis of national progress, whether industrial or social, is the health, efficiency and spiritual development of the people. Never was there a more profound belief in human life than today. Whether men work with brain or brawn, they are human beings, and are much alike in their cravings, their aspirations, their hatreds, and their capacity for suffering and for enjoyment.

As the leaders of industry face this period of reconstruction, what will be their attitude? Will it be that of the stand-patters, who ignore the extraordinary changes which have come over the face of the civilized world and have taken place in the minds of

men; who, arming themselves to the teeth, attempt stubbornly to resist the inevitable and invite open warfare with the other parties in industry; and who say, "What has been and is, must continue to be,—with our backs to the wall we will fight it out along the old lines or go down in defeat." Those who take such an attitude are wilfully heedless of the fact that its certain outcome will be financial loss, general inconvenience and suffering, the development of bitterness and hatred, and in the end submission to far more drastic and radical conditions imposed by legislation, if not by force, than could now be sociably arrived at through mutual concession in a friendly conference.

Or will their attitude be one in which I myself profoundly believe, which takes cognizance of the inherent right and justice of the principles underlying the new order; which recognizes that mighty changes are inevitable, many of them desirable; and which does not wait until forced to adopt new methods, but takes the lead in calling together the parties to industry for a round-table conference to be held in a spirit of justice, fair play and brotherhood, with a view to working out some plan of coöperation which will insure to all those concerned adequate representation, and afford to labor an opportunity to earn a fair wage under such conditions as shall leave time not alone for food and sleep, but also for recreation and the development of the higher things of life?

Never was there such an opportunity as exists today for the industrial leader with clear vision and broad sympathy, permanently to bridge the chasm that is daily gaping wider between the parties of industry, and to establish a solid formation for industrial prosperity, social improvement and national solidarity. Future generations will rise up and call those men blessed who have the courage of their convictions, a proper appreciation of the value of human life as contrasted with material gain, and who, imbued with the spirit of brotherhood, will lay hold of the great opportunity for leadership which is open to them today.

In conclusion let it be said that upon the heads of these leaders—it matters not to which of the four parties they belong—who refuse to reorganize their industrial households in the light of modern spirit, will rest the responsibility for such radical and

drastic measures as may later be forced upon industry if the highest interests of all are not shortly considered and dealt with in a spirit of fairness. Who, I say, dares to block the wheels of progress and to let pass the present opportunity of helping to usher in a new era of industrial peace and prosperity?



## Labor Standards After the War

By SAMUEL GOMPERS

**T**HE affairs of the whole world are in the process of remaking.

Relations between nation and nation, and between the peoples within the various nations, and among working people particularly, are undergoing a new change and a new life.

We are accustomed in these last few years to talk about reconstruction, the reconstruction of personal, political and industrial relations in the whole world. There are peoples who believe that the form of reconstruction must be elevation of the masses of the working people of the world. Among those are the people who believe that the principles for which the world war was waged, freedom and justice and democracy, shall find their true expression in every day life.

On the other hand, the old-time masters of the political and industrial world have not lost their hope to maintain their domination over the people. They are the old Bourbons of the whole world. Among them are some employers of labor in the United States, particularly the National Manufacturers' Association and the association of employers called the National Founders' Association. William H. Barr, of Buffalo, president of the latter association, obtained a moment's newspaper publicity by demanding at its annual conference abolition of the national eight-hour working day and a lowering of the war-time wage scale as essential if American mines and factories are to continue to compete in the world of trade. An accompanying suggestion that excessive war prices of commodities be lowered failed to appear.

There are some people who do not understand—there are some people who will not understand—all that was meant by the willingness of the people of the democracies to fight and make the sacrifices in order that a better time shall come to the workers. It was said of the Bourbons of France that, having learned nothing, they could forget nothing, and some employers of the United States, typified by Mr. Barr, are the Bourbons of our country. The same character of information has come from various quarters, but the American working people will not be forced back by Barr, his association, or all the Bourbons in the United States.

The time has come when the working people of the world are coming into their own. They have new rights and new advantages, they have made the sacrifices, and they are going to enjoy the better times for which the whole world has been in convulsion.

The American labor movement whole-heartedly supported this world struggle. The American labor movement went to the full-lengths in support of that struggle, and we knew what was involved. The day of absolutism in industry is gone, just as absolutism in government has been destroyed.

The American labor movement will coöperate with all other agencies to help in this reconstruction time. Our movement is not to destroy, but to construct,—but all may just as well understand now as at any other time that the advantages which the workers of America and of the Allied countries have gained, and which we hope to extend to the people even of the conquered countries, are not going to be taken away from us, and that we will resist to the uttermost any attempt to take them away.

The principal danger is that we may at some time in the future revert to the old conditions of unemployment. The continually increasing cost of living entails the necessity of continually increasing wages, but a surplus in the labor market makes it difficult, if not impossible, for wages to keep pace with living costs. Intermittent employment with low wages is one of the chief causes of poverty with its accompanying misery and its social and personal demoralization. Reasonable farsightedness in readjustment will obviate a labor surplus. We have a right to demand, and we do demand, that such reasonable farsightedness be exercised. The American Federation of Labor expects governments—national, state and local—to adopt every measure necessary to prevent unemployment. During the coming period of reconstruction every wage-earner should be afforded the opportunity of suitable employment and an income and sustenance sufficient to enable him, without the labor of mother and children, to maintain himself and family in health and comfort, and to provide a competence for old age with ample provision for recreation and good citizenship. Governments should:—

(a) Prepare and inaugurate plans to build model homes for the wage-earners;

(b) Establish a system of credits whereby the workers may

borrow money for a long term of years at a low rate of interest to build their own homes;

(c) Encourage, protect and extend credit to voluntary, non-profitmaking and joint tenancy associations;

(d) Exempt from taxation and grant other subsidies for houses constructed for the occupancy of their owners;

(e) Relieve municipalities from the restrictions preventing them from undertaking proper housing plans;

(f) Encourage and support the erection and maintenance of houses where workers may find lodging and nourishing food during the periods of unemployment.

Much talk has been made about preparing plans for the construction of public buildings, roads and other public works in order to avoid unemployment. All such suggestions are good, in so far as these things are needed, and no farther. There can be no question, however, of the urgent, immediate need of great numbers of wholesome houses at reasonable costs for working people. The environment offered by many of the tenements is unfit to surround the growing children of a free republic. The revolting conditions in many tenement districts, without sufficient light, air or play spaces, tend to produce persons unfit for citizenship. Squalor and almost unlivable conditions are still found in many houses of the workers whose compensation is inadequate, where opportunity to associate with their fellow-workmen for their moral, intellectual and industrial improvement is persistently and successfully denied. Such housing should not be permitted to exist.

The employment of public funds in the provision of homes for workers is a far better investment than large expenditures on ornamental buildings and beautiful boulevards seldom, if ever, seen by the poor. If large expenditures of public money are needed to avoid unemployment, the construction of houses is of far greater public benefit, especially to the poor, promoting health, happiness and good citizenship. Moreover, such investments have the added merit of returning to the public treasury without loss, and even with gain.

There is developing very rapidly a public demand that every worker shall be provided with a decent, sanitary and comfortable home. The wage-earners of America are deserving of this new

conception of living and are entitled to no less. This, then, is the inspiration, the motive of one of the ultimate objects of the American Federation of Labor.

The demand of the wage-earners is not only for sanitary and fit houses to live in, but that a sufficient number of houses shall be available so that they may be freed from the evils of high rents, overcrowding and congestion. The ordinary method of supplying houses through their erection by private capital for investment and speculation has rarely, if ever, been adequate. Nearly all of our workmen's habitations are built on a system of exploitation. Most of the houses built for the wage-earners are built to sell. This system of exploitation does not permit of proper housing facilities and adequate upkeep.

Our present practices and policies for housing the workers are unjust. We demand that every wage-earner shall be afforded the opportunity of living in a healthful, wholesome dwelling and environment which shall tend to uplift and not debase. The safety of the republic is not promoted, nor its standard of citizenship elevated, by the streams of persons reared in slums and unsanitary tenements.

The fact that there is danger of unemployment, a shortage of food stuffs and demoralizing congestion of population, while there are hundreds of millions of acres of agricultural, suburban and urban lands lying idle, should make a deeper impression upon public thought than it has heretofore done. We should no longer hesitate in forcing unused lands into use by exempting all improvements from taxation and by placing a tax on non-productive the same as on productive land. Regular employment, comfortable homes, necessities at reasonable cost and an adequate income are urgent demands. Reconstruction will fail unless these conditions are attained.

To attain them the workers must be assured that they are guaranteed and encouraged in the exercise of their right to organize and associate with their fellow-workmen in the trade unions and deal collectively with employers through such representation of their unions as they may choose, for their improved economic and industrial conditions and relations.

Perhaps the following might be regarded as a summary of demands to be satisfied in the pending readjustment of conditions:

No wage reductions.

No lengthening of the working day.

Opportunity for suitable, regular, remunerative employment.

A workday of not more than eight hours; a work week of not more than five and a half days.

Protection for women and children from overwork, underpay and unsuitable employment.

Increased opportunity for both education and play for children.

The elimination of private monopolies and protection from the extortions of profiteers.

Final disposition of the railroads, telegraph, telephone and cable systems to be determined by consideration of the rights and interests of the whole people, rather than the special privileges and interests of a few.

Comfortable, sanitary homes in wholesome environment, rather than elaborate improvements of no special benefit to the masses of the people.

Heavier taxation of idle lands, to the end that they may be used for the public good.

A government made more responsive to the demands of justice and the common good by the adoption of initiative and referendum measures.

In a word, any and all measures shall be taken tending toward constant growth and development of the economic, industrial, political, social and humane conditions for the toilers, to make life the better worth living, to develop all that is best in the human being and making for the whole people a structure wherein each will vie with the other in the establishment of the highest and best concepts and ideals of the human family.



## Resolutions on Reconstruction of the British Labor Party<sup>1</sup>

### I. THE TASK OF SOCIAL RECONSTRUCTION

**T**HAT, in the opinion of the conference, the task of social reconstruction to be organized and undertaken by the government, in conjunction with the local authorities, ought to be regarded as involving, not any patchwork jerrymandering of the anarchic individualism and profiteering of the competitive capitalism of pre-war time—the breakdown of which, even from the standpoint of productive efficiency, the war has so glaringly revealed—but the gradual building up of a new social order, based not on internecine conflict, inequality of riches, and dominion over subject classes, subject races, or a subject sex, but on the deliberately planned coöperation in production, distribution and exchange, the systematic approach to a healthy equality, the widest possible participation in power, both economic and political, and the general consciousness of consent which characterize a true democracy; and, further, in order to help to realize the new social order and to give legislative effect to the labor policy on reconstruction, this conference emphasizes the necessity of having in Parliament and the country a vigorous, courageous, independent, and unfettered political party.

### II. THE NEED FOR INCREASED PRODUCTION

That the conference cannot help noticing how very far from efficient the capitalist system has been proved to be, with its stimulus of private profit, and its evil shadow of wages driven down by competition often below subsistence level; that the

<sup>1</sup> These resolutions appeared in *The Survey* for August 3, 1918 and were published in conjunction with an article by Arthur Gleason which is embodied in a book, now in press, "British Labour and the War," by Arthur Gleason and Paul U. Kellogg; (Boni & Liveright, \$2.)

The resolutions as here given embody part but not all of the *proposed* reconstruction program of the British Labor Party entitled "Labor and the New Social Order." This document was a report on "Reconstruction" by a sub-committee of the British Labor Party and was published in full as a supplement to the February 16, 1918 issue of the New Republic. Comparison of the two documents will be of interest to many readers. Such a comparison will show for example that the document printed in this volume does not emphasize so specifically the disposal of "the surplus wealth for the common good,"—using surplus to mean that part of the national income over and above the national minimum of subsistence.

conference recognizes that it is vital for any genuine social reconstruction to increase the nation's aggregate annual production, not of profit or dividend, but of useful commodities and services; that this increased productivity is obviously not to be sought in reducing the means of subsistence of the workers, whether by hand or by brain, nor yet in lengthening their hours of work, for neither "sweating" nor "driving" can be made the basis of lasting prosperity, but in the socialization of industry in order to secure

- (a) the elimination of every kind of inefficiency and waste;
- (b) the application both of more honest determination to produce the very best, and of more science and intelligence to every branch of the nation's work; together with
- (c) an improvement in social, political, and industrial organization; and
- (d) the indispensable marshaling of the nation's resources so that each need is met in the order of, and in proportion to, its real national importance.

### III. THE MAINTENANCE AND PROTECTION OF THE STANDARD OF LIFE

(1) That the conference holds that it is of supreme national importance that there should not be any degradation of the standard of life of the population; and it insists that it is accordingly the duty of the government to see to it that, when peace comes, the standard rates of wages in all trades should, relatively to the cost of living, be fully maintained.

(2) That it should be made clear to employers that any attempt to reduce the prevailing rates of wages when peace comes, or to take advantage of the dislocation of demobilization to worsen the conditions of labor, will certainly lead to embittered industrial strife, which will be in the highest degree detrimental to the national interests; and the government should therefore take all possible steps to avert such a calamity.

(3) That the government should not only, as the greatest employer of labor, set a good example in this respect, but should also seek to influence employers by proclaiming in advance that it will not attempt to lower the standard rates or conditions in public employment, by announcing that it will insist on the most rigorous observance of the fair wages clause in public contracts, and by recommending every local authority to adopt the same policy.

(4) That one of the most urgent needs of social reconstruction

is the universal application of the principle of the protection of the standard of life, at present embodied in the factories, workshops, merchant shipping, mines, railways, shops, truck, and trade boards acts, together with the corresponding provisions of the public health, housing, education, and workmen's compensation acts; that these imperfectly drafted and piecemeal statutes admittedly require extension and amendment at many points and supplementing by new legislation providing among other industrial reforms for the general reduction of the working week to forty-eight hours, securing to every worker, by hand or by brain, at least the prescribed minimum of health, education, leisure, and subsistence; and that, in particular, the system of a legal basic wage, introduced by the trade boards act, the miners (minimum wage) act, and the wage board clauses of the corn production act, needs to be extended and developed, so as to ensure to every worker of either sex, in any occupation, in any part of the kingdom, as the very lowest statutory base line of wages (to be revised with every substantial rise in prices), not less than enough to provide all the requirements of a full development of body, mind, and character, from which the nation has no right to exclude any class or section whatsoever.

#### IV. THE PROVISION FOR THE SOLDIERS AND SAILORS

That the conference realizes that, as soon as peace is assured, the position of the soldier or sailor will be one of great peril; that, whilst his services to the nation will be effusively praised, and promises will be made for a generous provision for his needs, there is only too much reason to fear that, unless a strong and continuous effort is made, both in Parliament and in the localities, administrative parsimony and red-tape will deprive many thousands of what is justly due to them.

The conference accordingly holds that it is imperative that the provision to be made on demobilization should not only be worked out in detail immediately, but that it should be published for general information, so that omissions may be detected, mistakes rectified, and everyone made acquainted with the steps to be taken.

The conference, noting the month's furlough, gratuity, free railway ticket, and a year's unemployment benefit if out of work already promised to the soldier, urges that

(a) there should be no gap between the cessation of his pay and separation allowance and the beginning of his unemployment benefit, and

(b) that this special ex-soldier's unemployment benefit given to all should be additional to any unemployment benefit under the National Insurance Act, to which many men are already entitled in respect of contributions deducted from their wages;

(c) That the amount of the unemployment benefit should not be the present starvation pittance of 7s. per week, but at least approaching to the combined separation and rations allowances; and

(d) that, in view of the change in the value of money, the gratuity (which should be made payable through the Post Office Savings Bank) ought to be, for the private, £20.

The conference feels, however, that what the soldiers will most seriously look to is not the sum of money doled out to them, but the provision made for ensuring them situations appropriate to their capacities and desires: it declares that this duty of placing the demobilized soldier within reach of a suitable situation at the trade union standard rate is one for the government itself to discharge, without the intervention of charity or philanthropists.

And the conference demands that the government should at once complete and make known the organization projected for fulfilling this duty, including appropriate arrangements for enabling such of the men as wish it to obtain small holdings, for others to get such training for new occupations as they require, and for all to secure such posts in productive work or service as they are capable of filling, or, in the alternative, to be maintained until such posts can be found.

#### V. THE DISCHARGE OF CIVILIAN WAR WORKERS

That this conference, realizing the grave industrial conditions in which demobilization will take place, demands that the same careful preparation and the same sort of provision should be made in advance for a systematic replacing in situations and for adequate maintenance until situations are found, with regard to the three million civil workers in war trades, and male or female substitutes for men now with the colors, as for the five millions to be discharged from the army.

#### VI. THE RESTORATION OF TRADE UNION CONDITIONS

(1) That this conference reminds the government that it is pledged unreservedly and unconditionally, and the nation with it, in the most solemn manner, to the restoration after the war of



all the rules, conditions, and customs that prevailed in the workshops before the war; and to the abrogation, when peace comes, of all the changes introduced not only in the national factories and the 5,000 controlled establishments, but also in the large number of others to which provisions of the munitions act have been applied.

(2) That the conference places on record its confident expectation and desire that if any employers should be so unscrupulous as to hesitate to fulfil this pledge, the government will see to it that, in no industry and in no district, is any quibbling evasion permitted of an obligation in which the whole labor movement has an interest.

(3) In view of the unsatisfactory character of the provisions in the munitions act dealing with the restoration of trade union customs after the war, the conference calls upon the government to provide adequate statutory machinery for restoration:—

(a) By securing that all provisions in the acts necessary to enforce restoration shall continue in operation for a full year after the restrictive provisions abrogating trade union rules, and giving munitions tribunals disciplinary powers over workmen have been terminated.

(b) By removing all restrictions upon the right of the workmen to strike for the restoration of the customs which have been abrogated.

(c) By limiting compulsory arbitration strictly to the war period and providing fully that the right to prosecute an employer for a failure to restore trade union customs shall continue for a full year after the termination of the restrictive powers in the acts.

(4) The conference further calls upon Parliament to limit all restrictive legislation directed against workpeople strictly to the war period, and, subject to the above exceptions, calls for the abrogation of the clauses restrictive of personal liberty in the munitions of war acts and in the defense of the realm acts, immediately upon the conclusion of hostilities.

(5) The conference, finally, urges that if it is considered that some of the rules, conditions, and customs are, in the industrial reorganization that is contemplated, inconsistent with the highest development of production, or injurious to other sections of workers, it is for the government, as responsible for the fulfilment of the pledge, to submit for discussion to the trade unions concerned alternative proposals for securing the standard wage and normal day, protecting the workers from unemployment, and maintaining the position and dignity of the crafts.



## VII. THE PREVENTION OF UNEMPLOYMENT

That the conference cannot ignore the likelihood that the years immediately following the war will include periods of grave dislocation of profit-making industry, now in this trade or locality and now in that, when many thousand of willing workers will, if matters are left to private capitalism, probably be walking the streets in search of employment; that it is accordingly the duty of the ministry, before demobilization is actually begun, so to arrange the next ten years' program of national and local government works and services—including housing, schools, roads, railways, canals, harbors, afforestation, reclamation, etc.—as to be able to put this program in hand, at such a rate and in such districts as any temporary congestion of the labor market may require; that it is high time that the government laid aside the pretence that it has no responsibility for preventing unemployment; that now that it is known that all that is required to prevent the occurrence of any widespread or lasting unemployment is that the aggregate total demand for labor should be maintained, year in and year out, at an approximately even level, and that this can be secured by nothing more difficult or more revolutionary than a sensible distribution of the public orders for works and services so as to keep always up to the prescribed total the aggregate public and capitalist demand for labor, together with the prohibition of overtime in excess of the prescribed normal working day, there is no excuse for any government which allows such a grave social calamity as widespread or lasting unemployment ever to occur.

## VIII. UNEMPLOYMENT INSURANCE

That to meet the needs of individuals temporarily out of work, the Labor Party holds that the best provision is the out-of-work pay of a strong trade union, duly supplemented by the government subvention guaranteed by Part II, of the insurance act; that the government should at once restore the subvention now withdrawn by one of the least excusable of the war economies; that this subvention ought to be increased so as to amount to at least half the weekly allowance; and that for the succor of those for whom trade union organization is not available the state unemployment benefit, raised to an adequate sum should be made

universally applicable in all industries and occupations where objection is not taken by the trade union concerned to the compulsory inclusion of its members.

### IX. THE COMPLETE EMANCIPATION OF WOMEN

That the conference holds that the changes in the position of women during the war, in which they have rendered such good service, and the importance of securing to women as to men, the fullest possible opportunities for individual development, make it necessary to pay special attention in the reconstruction program to matters affecting women; and, in particular, the conference affirms—

#### *A. With Regard to Industry on Demobilization:—*

(1) That work or maintenance at fair rates should be provided for all women displaced from their employment to make way for men returning from service with the forces or other national work.

(2) That full inquiry should be made into trades and processes previously held to be unhealthy or in any way unsuitable for women, but now being carried on by them, with a view to making recommendations as to the conditions of their further employment in such trades.

(3) That all women employed in trades formerly closed to them should only continue to be so employed at trade union rates of wages.

(4) That trade unions should be urged to accept women members in all trades in which they are employed.

(5) That the principle of equal pay for similar duties should be everywhere adopted.

#### *B. With Regard to Civic Rights:—*

(1) That all legal restrictions on the entry of women to the professions on the same conditions as men should be abrogated.

(2) That women should have all franchises, and be eligible for election to all public bodies (including Parliament), on the same conditions as men.

(3) That systematic provision should be made for the inclusion of women in committees or commissions, national or local, dealing with any subjects that are not of exclusively masculine interest.

(4) That the present unjust provision of the income tax law, under which the married woman is not treated as an independent human being, even in respect of her own property or earnings, must be at once repealed.

#### X. THE RESTORATION OF PERSONAL LIBERTY

That this conference regards as fundamental the immediate repeal and abrogation, as soon as the war ends, of the whole system of the military service acts, and of all the provisions of the defense of the realm acts restricting freedom of speech, freedom of publication, freedom of the press, freedom of travel, and freedom of choice of residence or of occupation.

#### XI. POLITICAL REFORMS

That the conference reaffirms its conviction that no lasting settlement of the question of political reform can be reached without a genuine adoption of

- (a) complete adult suffrage, with not more than three months' residential qualification;
- (b) absolutely equal rights for both sexes;
- (c) effective provision for absent electors to vote and the best practicable arrangements for ensuring that every minority has its proportionate and no more than its proportionate representation;
- (d) the same civic rights for the soldiers and sailor as for the officers;
- (e) shorter Parliaments; and
- (f) the complete abandonment of any attempt to control the people's representatives by a House of Lords.

That the conference especially protests against the defects of the representation of the people act of last year, which failed to give votes to women under thirty years of age, denied them the right to sit in Parliament, maintained for both sexes an unnecessarily long period of residence as a qualification for the register, ignored the rights of the civilian electors who may be compulsorily away from home on polling day, and omitted any provision which would have prevented the scandal of large sections of the voters remaining unrepresented whilst members are returned to Parliament by a minority of the voting constituency.

It protests, moreover, against civil servants being denied the right, which has long been enjoyed by army and navy officers, without at once resigning their appointments, of offering themselves to the electors as Parliamentary candidates.

This conference calls for the abolition of the House of Lords without replacement of any second chamber. The conference further protests against the disenfranchisement of conscientious objectors.

## XII. IRELAND

That the conference unhesitatingly recognizes the claim of the people of Ireland to Home Rule, and to self-determination in all exclusively Irish affairs; it protests against the stubborn resistance to a democratic reorganization of Irish government maintained by those who, alike in Ireland and Great Britain, are striving to keep minorities dominant; and it demands that a wide and generous measure of Home Rule should be immediately passed into law and put in operation.

## XIII. CONSTITUTIONAL DEVOLUTION

That the conference regards as extremely grave the proved incapacity of the War Cabinet and the House of Commons to get through even the most urgently needed work; it considers that some early devolution from Westminster of both legislation and administration is imperatively called for; it suggests that, along with the grant of Home Rule to Ireland, there should be constituted separate statutory legislative assemblies for Scotland, Wales, and even England, with autonomous administration in matters of local concern; and that the Parliament at Westminster should be retained in the form of a Federal Assembly for the United Kingdom, controlling the ministers responsible for the departments of the Federal government, who would form also, together with ministers representing the dominions and India whenever these can be brought in, the Cabinet for Commonwealth affairs for the Britannic Commonwealth as a whole.

## XIV. LOCAL GOVERNMENT

That in order to avoid the evils of centralization and the drawbacks of bureaucracy, the conference suggests that the fullest possible scope should be given, in all branches of social reconstruction, to the democratically elected local governing bodies; that whilst the central government departments should assist with information and grants in aid, the local authorities should be given a free hand to develop their own services, over and above



the prescribed national minimum, in whatever way they choose; that they should be empowered to obtain capital from the government at cost price, and to acquire land cheaply and expeditiously, for any of the functions with which they are entrusted.

The conference holds, moreover, that the municipalities and county councils should not confine themselves to the necessarily costly services of education, sanitation, and police, and the functions to be taken over from the boards of guardians, nor yet rest content with acquiring control of the local water, gas, electricity and tramways, but that they should greatly extend their enterprises in housing and town planning, parks, and public libraries, the provision of music and the organization of popular recreation, and also that they should be empowered to undertake, not only the retailing of coal, but also other services of common utility, particularly the local supply of milk, where this is not already fully and satisfactorily organized by a coöperative society.

Further, that in view of the great and growing importance of local government, this conference thinks it high time that the councilors should again be required to submit themselves for election that, on the first election, at any rate, the whole of each council should vacate their seats and the new council be elected on the principle of proportional representation, and that in order to throw the position open to all persons, rich or poor, all councilors should be provided with payment for any necessary traveling expenses, and for the time spent on the public service.

#### XV. EDUCATION

That the conference holds that the most important of all the measures of social reconstruction must be a genuine nationalization of education, which shall get rid of all class distinctions and privileges, and bring effectively within the reach, not only of every boy and girl, but also of every adult citizen, all the training, physical, mental and moral, literary, technical, and artistic of which he is capable.

That the conference, whilst appreciating the advances indicated by the proposals of the present minister of education, declares that the Labor Party cannot be satisfied with a system which condemns the great bulk of the children to merely elementary schooling with accommodation and equipment inferior



to that of the secondary schools, in classes too large for efficient instruction, under teachers of whom at least one-third are insufficiently trained; which denies to the great majority of the teachers in the kingdom, whether in elementary or in secondary schools (and notably to most of the women), alike any opportunity for all-round culture, as well as for training in their art, an adequate wage, reasonable prospects of advancement, and suitable superannuation allowances; and which, notwithstanding what is yet done by way of scholarships for exceptional geniuses, still reserves the endowed secondary schools, and even more the universities, for the most part, to the sons and daughters of a small privileged class, whilst contemplating nothing better than eight weeks a year continuation schooling up to 18 for 90 per cent of the youth of the nation.

The conference accordingly asks for a systematic reorganization of the whole educational system, from the nursery school to the university, on the basis of

- (a) social equality;
- (b) the provision for each age, for child, youth, and adult, of the best and most varied education of which it is capable, and with due regard to its physical welfare and development, but without any form of military training;
- (c) the educational institutions, irrespective of social class or wealth, to be planned, equipped, and staffed according to their several functions, up to the same high level for elementary, secondary, or university teaching, with regard solely to the greatest possible educational efficiency, and free maintenance of such a kind as to enable the children to derive the full benefit of the education given; and
- (d) the recognition of the teaching profession, without distinction of grade, as one of the most valuable to the community.

## XVI. HOUSING

That the conference, noting the fact that the shortage of habitable cottages in the United Kingdom now exceeds one million, and that the rent and mortgages restriction act is due to expire six months after peace, regards a national campaign of cottage building at the public expense, in town and country alike, as the most urgent of social requirements.

That the attention of the government be called to the fact that, unless steps are taken to insist that the local authorities acquire the necessary sites, prepare schemes, plans, and specifications, and obtain all required sanctions, actually before the war ends there is very little chance of the half-a-million new

cottages urgently needed in England, Scotland, Ireland, and Wales during the very first year of demobilization being ready for occupation within that time.

That it is essential that the "Million Cottages of the Great Peace," to be erected during the first two or three years after the war ends by the local authorities, with capital supplied by the national government, free of interest, and a grant-in-aid in one or other form at least sufficient to prevent the schemes involving any charge on the rates, should be worthy to serve as models to other builders; and must accordingly be, not only designed with some regard to appearance, not identical throughout the land, but adapted to local circumstances, and soundly constructed, spacious, and healthy; including four or five rooms, larder, scullery, cupboards, and fitted bath but also suitably grouped not more than ten or twelve to the acre; and provided with sufficient garden ground.

#### XVII. THE ABOLITION OF THE POOR LAW AND THE DEVELOPMENT OF THE MUNICIPAL HEALTH SERVICE

That the conference notes with satisfaction the decision of the government both to establish a Ministry of Health and to abolish the whole system and organization of the poor law.

It regards the immediate reorganization, in town and country alike, of the public provision for the prevention and treatment of disease, and the care of the orphans, the infirm, the incapacitated, and the aged needing institutional care, as an indispensable basis of any sound social reconstruction.

It calls for the prompt carrying out of the government's declared intention of abolishing, not merely the boards of guardians, but also the hated workhouse and the poor law itself, and the merging of the work heretofore done for the destitute as paupers in that performed by the directly elected county, borough, and district councils for the citizens as such, without either the stigma of pauperism or the hampering limitations of the poor law system.

It feels that only in connection with such a reorganization of the local health services—urgently required to meet the dangers attendant on demobilization—can a Ministry of Health be of effective advantage to the nation.

## XVIII. TEMPERANCE REFORM

That the conference records its sense of the great social evil and national waste caused by the excessive consumption of alcoholic liquors, and by the unfortunate intemperance of a relatively small section of the population; that the conference sees the key to temperance reform in taking the entire manufacture and retailing of alcoholic drink out of the hands of those who find profit in promoting the utmost possible consumption; and the conference holds that in conjunction with any expropriation of the private interests the electors of each locality should be enabled to decide, as they may see fit:

- (a) to prohibit the sale of alcoholic drink within their own boundaries;
- (b) to reduce the number of places of sale, and to regulate the conditions of sale;
- (c) to determine, within the fundamental conditions prescribed by statute, the manner in which the public places of refreshment and social intercourse in their own districts should be organized and controlled.

## XIX. RAILWAYS AND CANALS

That the conference insists on the retention in public hands of the railways and canals, and on the expropriation of the present stockholders on equitable terms, in order to permit of the organization, in conjunction with the harbors and docks, and the posts and telegraphs, of a united national public service of communications and transport, to be worked, unhampered by any private interest (and with a steadily increasing participation of the organized workers in the management, both central and local) exclusively for the common good.

The conference places on record that if any government shall be so misguided as to propose, when peace comes, to hand the railways back to the shareholders, or should show itself so spendthrift of the nation's property as to give the companies any enlarged franchise by presenting them with the economics of unification or the profits of increased railway rates, or so extravagant as to bestow public funds on the reëquipment of privately-owned lines, the Labor Party will offer any such project its most strenuous opposition.

## XX. THE NEW ELECTRICITY SUPPLY

With regard to the generation of electricity for the provision, both for the factory and the home, of the cheapest possible power,

light and heat, the conference declares that the Labor Party stands for the provision, by the government itself, of the score of gigantic super-power stations by which the whole kingdom could be supplied, and for the linking up of the present municipal and joint stock services for distribution to factories and dwelling-houses at the lowest possible rates.

The conference notifies that the Labor Party will offer the most strenuous opposition to this great national service being entrusted, on any terms whatsoever, to private capitalism.

#### XXI. COAL AND IRON MINES

That the conference urges that the coal mines, now under government control, should not be handed back to their capitalist proprietors, but that the measure of nationalization, which became imperative during the war, should be completed, at the earliest possible moment, by the expropriation on equitable terms of all private interests in the extraction and distribution of the nation's coal (together with iron ore and other minerals).

The conference asks that the supply of these minerals should henceforth be conducted as a public service (with a steadily increasing participation in the management, both central and local, of the workers concerned), for the cheapest and most regular supply to industry of its chief source of power, the retail distribution of household coal, at a fixed price, summer and winter alike, and identical at all railway stations throughout the kingdom, being undertaken by the elected municipal district, or county council for the common good.

#### XXII. LIFE ASSURANCE

That the conference declares that, partly as a means of affording increased security to the tens of thousands of policyholders whose bonuses are imperilled by capital depreciation and war risks, and partly in order to free the nation from the burdensome and costly system of the industrial insurance companies, the state should take over (with equitable compensation to all interests affected) the whole function of life assurance, giving in place of the present onerous industrial insurance policies a universal funeral benefit free of charge; putting the whole class of insurance agents in the position of civil servants administering the state



insurance business; developing to the utmost the beneficial work of the friendly societies in independence and security, and organizing, in conjunction with these societies, on the most approved principles, a safe and remunerative investment of popular savings.

### XXIII. AGRICULTURE AND RURAL LIFE

(1) That the conference regards the present arrangements for the production and distribution of food in this country, and the life to which many thousands of country dwellers are condemned, as nothing short of a national disgrace, and as needing to be radically altered without delay.

(2) That it is essential that the government should resume control of the nation's agricultural land, and ensure its utilization not for rent, not for game, not for the social amenity of a small social class, not even for obtaining the largest percentage on the capital employed, but solely with a view to the production of the largest possible proportion of the foodstuffs required by the population of these islands under conditions allowing of a good life to the rural population and at a price not exceeding that for which foodstuffs can be brought from other lands.

(3) That this end can probably best be attained by a combination of

- (a) government farms, administered on a large scale, with the utmost use of machinery;
- (b) small holdings made accessible to practical agriculturists;
- (c) municipal enterprises in agriculture, in conjunction with municipal institutions of various kinds, milk depots, sewage works, etc.;
- (d) farms let to coöperative societies and other tenants, under covenants requiring the kind of cultivation desired.

(4) That under all systems the agricultural laborer must be secured a healthy and commodious cottage, with sufficient garden ground, the opportunity of getting an accessible allotment, and, when he so desires, a small holding, together with a wage continuously adequate for the requirements of body and mind.

(5) That the conference suggests that the distribution of foodstuffs in the towns—from milk and meat to bread and vegetables—should, with equitable compensation for all interests expropriated and persons displaced, be taken out of the hands of the present multiplicity of dealers and shopkeepers, and organized by consumers, coöperative societies, and the local authorities working in conjunction.



## XXIV. CONTROL OF CAPITALIST INDUSTRY

That the conference insists, especially in view of the rapid development of amalgamations and trusts, on the necessity of retaining after the war, and of developing the present system of organizing, controlling, and auditing the processes, profits, and prices of capitalist industry; that the economies of centralized purchasing of raw materials, foodstuffs, and other imports must be continued, and, therefore, the "rationing" of all establishments under a collective control; that the publicity of processes thus obtained has a valuable effect in bringing inefficient firms up to a higher level; that the "costing" of manufacturers' processes and auditing of their accounts, so as to discover the necessary cost of production, together with the authoritative limitation of prices at the factory, the wholesale warehouse and the retail shop, affords, in industries not nationalized, the only security against the extortion of profiteering; and that it is as much the duty of the government to protect the consumer by limiting prices as it is to protect the factory operative from unhealthy conditions, or the householder from the burglar.

## XXV. NATIONAL FINANCE

1. That in view of the enormous debts contracted during the war, and of the necessity to lighten national financial burdens, this conference demands that an equitable system of conscription of accumulated wealth should be put into operation forthwith, with exemption for fortunes below £1,000, and a graduated scale of rates for larger totals, believing that no system of taxation only of income or profits will yield enough to free the country from oppressive debts, and that any attempt to tax food or the other necessities of life would be unjust and ruinous to the masses of the people.

2. That the only solution of the difficulties that have arisen is a system by which the necessary national income shall be derived mainly from direct taxation alike of land and accumulated wealth, and of income and profits, together with suitable imposts upon luxuries, and that the death duties and the taxation upon unearned incomes should be substantially increased and equitably regarded.

3. That the whole system of land taxation should be revised so that by the direct taxation of the unearned increment of land values effect should be given to the fact that the land of the nation, which has been defended by the lives and sufferings of its people, shall belong to the nation, and be used for the nation's benefit.

4. That this conference emphatically protests against the subjection of coöperative dividends to the excess profits tax and against the repeated attempts to bring coöperative dividends within the scope of the income tax.

5. That as during the war the government has had to come to the assistance of the banking institutions of the country, and that it has been found necessary to pay very high rates for the money raised, adding considerably to the annual burden resulting from the war, whilst the banks are now pursuing a policy of fusion such as brings them near to the position of a monopoly, the Post Office Savings Bank should be developed into a national banking system for the common service of the whole community.

#### XXVI. THE NEED FOR A "PEACE BOOK"

That in the opinion of this conference the problem of the social and industrial reconstruction of Great Britain after the war is of such grave importance and of such vital urgency, that it is imperative, in order to avoid confusion in the period of demobilization, that the main outlines of policy in all branches should be definitely formulated, upon the responsibility of the minister of reconstruction, before the war ends, so that they can be published in a Peace Book for public criticism before being finally adopted by the Cabinet, for the authoritative guidance of all ministers and heads of departments.

#### XXVII. "LABOR AND THE NEW SOCIAL ORDER"

That the draft report on reconstruction, entitled Labor and the New Social Order, be revised after consideration of all the amendments suggested, and in accordance with the decisions of the conference, and that every constituent organization be asked to report within four weeks how many copies it proposes to order for distribution to its branches and members.

## BOOK REVIEWS

BARKER, J. ELLIS. *The Great Problems of British Statesmanship*. Pp. 445. Price, \$3.60. New York: E. P. Dutton & Co., 1917.

This book by J. Ellis Barker, author of "Modern Germany," "Great and Greater Britain," "The Foundations of Germany," presents concisely the historical facts back of the problems of British statesmanship with special reference to Constantinople, Asiatic-Turkey, Austria-Hungary, Poland, Anglo-American relationships and industrial and financial problems. Particularly on international matters, the book is informing and of intense interest and value to all those who wish to have available pertinent facts as to the historical background of the present war and the international problems growing out of that war.

C. L. K.

COMMONS, JOHN R., ET AL. *History of Labour in the United States*. Vol. I, pp. xxv, 625. Vol. II, pp. xx, 620. Price, \$6.50. New York: The Macmillan Co., 1918.

This work forms the fourth of a series designed to include a divisional history from each of the twelve divisions composing the department of economics and sociology of the Carnegie Institution of Washington, D. C., according to a general plan for studying the economic history of the United States. The introductory note by Professor Henry W. Farnam explains the plan of the series and gives a list of the books already published. The collaborators have now reorganised as the Board of Research Associates in American Economic History and expect to publish additional volumes from time to time.

The present work has been written in collaboration by six different authors and deals mainly with the history of labor conditions, of labor philosophies, and of labor movements—not primarily with the structure or policies of labor unions, nor with the history of individual unions, nor with the legislative results of movements, nor with current problems;—the field treated is rather the background which explains structure, policies, results and problems. Professor John R. Commons, under whose direction the various studies were made, outlines in a single chapter the interaction of economic and political conditions with the many varieties of individualistic, socialistic, and protectionist philosophies which have made the American labor movement what it is.

The various parts and their authors are as follows: Colonial and Federal Beginnings, David J. Saposs; Citizenship, Helen L. Sumner; Trade Unionism, Edward B. Mittelman; Humanitarianism, Henry E. Hoagland; Nationalisation, John B. Andrews; Upheaval and Reorganisation, Selig Perlman. The first four studies treat of the labor movement down to 1860, while the last two bring it down to the present time. The various studies are of uneven merit and the work leaves the impression of the need of bringing its various parts into a complete and homogeneous whole.

Only a single chapter is given to developments since 1860 and this is a mere sketch. The bibliography given is limited for such a work and is lacking in several cases where completeness is claimed. The work likewise leaves no sense of mastery of the subject as do such works as *Industrial Democracy* and the *History of Trade Unionism* by the Webbs. In spite of these criticisms, however, the work is a distinct contribution to the literature of the labor movement; it brings together for the first time a vast amount of information invaluable to all interested in social development and should furnish a point of departure and an incentive for further studies.

GEORGE M. JANEZ.

*University of North Dakota.*

COOKE, MORRIS L. *Our Cities Awake*. Pp. xi, 351. Price, \$2.50. New York: Doubleday Page & Co., 1918.

That a book on *Our Cities Awake* could come out of the experience of one who was for four years the Director of the Department of Public Works in the City of Philadelphia is the best proof that the title of the work reflects at once a fact in American urban life and a buoyancy of optimistic purpose that assures great achievements in the reconstruction days now upon us. The vigor of our growing cities appeals to and is truly reflected by the mental vigor with which the author pictures the solutions which can be and have been adopted for civic, social and industrial problems by the maturing cities of a young nation.

This book is not a factual book, but it is a record of inspiring facts. It is the output of one, who, having drudged in the basement of city hall-facts, goes to the towers for refreshment and broader views; it is the work of an efficient engineer with a public philosophy. It is not by chance that the introduction is from the pen of a pacifist mayor who as Secretary of War helped mightily to win a world war for democracy. The retinue of visionful workers this book will enlist is the one sure token that our cities now awake will not relapse into the slumber of civic indifference.

The book is one for the high school, for the teacher and for the business man as well as for the civic preacher. Like good stories for children, the book will be enjoyed by grown-ups, who want to sense the charm and interest in urban facts whether they have to do with sewers, city hall pigeons, civil service or publicity.

CLYDE L. KING.

*University of Pennsylvania.*

MOORE, H. L. *Forecasting the Yield and Price of Cotton*. Pp. vi, 173. Price, \$2.50. New York: The Macmillan Co., 1917.

Again Professor Moore has investigated the law of economic change by the criteria of the higher statistical methods. In this case his task is to forecast the price of cotton, a commodity upon which alone practically depends the welfare of the entire southern group of states. He finds that it is possible by the use of the correlation formula to predict the yield per acre of cotton from current records of temperature and rainfall with greater accuracy than is now attained by the method in use by the Bureau of Statistics of the Department of Agriculture, and sometimes as much as two months in advance of the latter; he finds that the probable acreage can be forecast before the cotton crop is planted, with substantially the same degree of accuracy with which the Bureau of Statistics forecasts the yield per acre at the first of September; and finally he establishes the law of demand for cotton by the theory of multiple correlation. It is a very interesting and very suggestive piece of work.

He devotes a long chapter in the early part of the book to the derivation of the correlation coefficient and the regression equations—apparently with the purpose of making his methods understandable and usable by business men. Nevertheless the technique is difficult for anyone not trained in statistical methods and it will probably be some time before the method of correlation is used extensively. This detracts in no way from the credit of making a start.

It is unfortunate that statisticians cannot agree on a uniform system of notation in deriving and using correlation formulae. The notation followed in Yule's text is probably most common. Professor Moore reverses this usage in one respect by representing actual measurements by  $x$  and  $y$  while deviations from the mean are expressed by the capitals  $X$  and  $Y$ . This may not be a serious fault, yet it is confusing to the very readers whom he apparently wishes to reach, for the next exposition of correlation they read will as likely use the opposite notation.

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